

FINAL BUDGET OF

KHÂI-MA

MUNICIPALITY



2012/13 TO 2014/15
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

Table of Contents

ANNEXURE	
PART 1 – ANNUAL BUDGET	1
1.1 MAYOR'S REPORT.....	1
1.2 COUNCIL RESOLUTIONS	3
1.3 EXECUTIVE SUMMARY	4
1.4 OPERATING REVENUE FRAMEWORK	5
1.5 OPERATING EXPENDITURE FRAMEWORK.....	12
1.6 CAPITAL EXPENDITURE	16
1.7 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY.....	17
PART 2 – SUPPORTING DOCUMENTATION	34
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	34
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	35
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	39
2.4 OVERVIEW OF BUDGET RELATED-POLICIES	45
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	47
2.6 OVERVIEW OF BUDGET FUNDING	48
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS.....	58
2.8 COUNCILLOR AND EMPLOYEE BENEFITS.....	60
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	62
2.10 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS	69
2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	70
2.12 CAPITAL EXPENDITURE DETAILS	70
2.13 LEGISLATION COMPLIANCE STATUS	80
2.14 OTHER SUPPORTING DOCUMENTS.....	80
2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATE	86

List of Tables

Table 1 Consolidated Overview of the 2011/12 MTREF	5
Table 2 Summary of revenue classified by main revenue source.....	6
Table 3 Percentage growth in revenue by main revenue source	6
Table 4 Operating Transfers and Grant Receipts	7
Table 5 Comparison of proposed rates to levied for the 2011/12 financial year	8
Table 6 Proposed Water Tariffs	9
Table 7 Comparison between current water charges and increases (Domestic)	9
Table 8 Comparison between current electricity charges and increases (Domestic).....	10
Table 9 Comparison between current sanitation charges and increases.....	10

Table 10	Comparison between current sanitation charges and increases, single dwelling- houses.....	10
Table 11	Comparison between current waste removal fees and increases	11
Table 12	MBRR Table SA14 – Household bills.....	12
Table 13	Summary of operating expenditure by standard classification item	13
Table 14	Operational repairs and maintenance	14
Table 15	Repairs and maintenance per asset class.....	15
Table 16	2011/12 Medium-term capital budget per vote	16
Table 17	MBRR Table A1 - Budget Summary	17
Table 18	MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	18
Table 19	MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	21
Table 20	Surplus/(Deficit) calculations for the trading services	23
Table 21	MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	24
Table 22	MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	25
Table 23	MBRR Table A6 - Budgeted Financial Position	27
Table 24	MBRR Table A7 - Budgeted Cash Flow Statement	29
Table 25	MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	29
Table 26	MBRR Table A9 - Asset Management.....	31
Table 27	MBRR Table A10 - Basic Service Delivery Measurement	33
Table 28	IDP Strategic Objectives	36
Table 29	MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue	37
Table 30	MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	38
Table 31	MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	39
Table 32	MBRR Table SA7 - Measurable performance objectives.....	42
Table 33	MBRR Table SA8 - Performance indicators and benchmarks.....	43
Table 34	Credit rating outlook	47
Table 35	Breakdown of the operating revenue over the medium-term	48
Table 36	Proposed tariff increases over the medium-term.....	50
Table 37	MBRR SA15 – Detail Investment Information	50
Table 38	MBRR SA16 – Investment particulars by maturity	50
Table 39	Sources of capital revenue over the MTREF	51
Table 40	MBRR Table SA 17 - Detail of borrowings	
Table 41	MBRR Table SA 18 - Capital transfers and grant receipts	52
Table 42	MBRR Table A7 - Budget cash flow statement.....	54
Table 43	MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation	55
Table 44	MBRR SA10 – Funding compliance measurement	56
Table 45	MBRR SA19 - Expenditure on transfers and grant programmes.....	58

Table 46 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds	59
Table 47 MBRR SA22 - Summary of councillor and staff benefits	60
Table 48 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	61
Table 49 MBRR SA24 – Summary of personnel numbers	62
Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure	63
Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote).....	64
Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)	65
Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)	66
Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	67
Table 55 MBRR SA30 - Budgeted monthly cash flow.....	68
Table 56 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure	69
Table 57 Water Services Department – Performance objectives and indicators	69
Table 58 MBRR SA 34a - Capital expenditure on new assets by asset class	71
Table 59 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	73
Table 60 MBRR SA34c - Repairs and maintenance expenditure by asset class.....	75
Table 61 MBRR SA35 - Future financial implications of the capital budget	78
Table 62 MBRR SA36 - Detailed capital budget per municipal vote	
Table 63 MBRR SA37 - Projects delayed from previous financial year.....	79
Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance	80
Table 65 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)	
Table 66 MBRR Table SA3 – Supporting detail to Statement of Financial Position	84
Table 67 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	85
Table 68 MBRR SA32 – List of external mechanisms	86

List of Figures

Figure 1 Main operational expenditure categories for the 2011/12 financial year	14
Figure 2 Capital Infrastructure Programme	
Figure 3 Expenditure by major type.....	25
Figure 4 Depreciation in relation to repairs and maintenance over the MTREF	
Figure 5 Planning, budgeting and reporting cycle	40
Figure 6 Definition of performance information concepts.....	41
Figure 7 Breakdown of operating revenue over the 2011/12 MTREF	49
Figure 8 Sources of capital revenue for the 2011/12 financial year	51
Figure 9 Growth in outstanding borrowing (long-term liabilities).....	
Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds	Error! Bookmark not defined.

Abbreviations and Acronyms

LED	Local Economic Development	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kl	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Annual Budget

1.1 Mayor's Report

FINAL BUDGET REPORT 2012/2013				
The operating and capital budget of the Council has been compiled in order to comply with the Local Government: Municipal Finance Management Act, 2003.				
Two key concepts that were considered in compiling the budget were:				
1. The Budget must be funded according to MFMA section 18 (1).				
2. The budget must be credible.				
There has been budgeted for a deficit of R 287,830 on the operating budget while the total capital budget amounting to R10,133,000 has been funded from Government Grants.				
The deficit of R 287,830 is due to financial instruments budgeted according GRAP. It has effect on the cashflow budget (Table SA7).				
The following budget tables are also included in the Budget documents:				
NC067 Khai-Ma - Table A1 -A10				
Statistics:				
Expenditure by source versus Total Budget				
	R	R	%	
Employee related costs:	R 13 319 180	R 45 744 210	29	
Working capital	R 1 913 400	R 45 744 210	4	
Depreciation	R 2 300 060	R 45 744 210	5	
Interest external borrowing	R 206 320	R 45 744 210	0	
Bulk purchases	R 5 307 400	R 45 744 210	12	
General expenditure	R 4 803 450	R 45 744 210	11	
Repair and maintance	R 1 401 000	R 45 744 210	3	
Grant Expenditure	R 16 493 400	R 45 744 210	36	
Income by source versus Total Budget				
	R	R	%	
Property rates	R 2 848 160	R 55 589 380	5	
Service charges	R 11 589 220	R 55 589 380	21	
External interest investments	R 200 000	R 55 589 380	0	
Interest Outstanding debtors	R 712 000	R 55 589 380	1	
Grants and subsidies	R 39 077 000	R 55 589 380	70	
Other income	R 1 433 000	R 55 589 380	3	
The job evaluations and benchmarking delay result in to a 7% increase in salaries. The increase increase amount to 7% plus a further 2% to cover the expenditure.				

In order to finance the increase in salaries, wages and allowances of officials and councilors, the provision for working capital, provision for depreciation and the normal increases in general expenditure and repairs and maintenance to the council's capital assets, the following increase in tariffs are recommended:				
Electricity - 11.03% (NER approved)				
Water - 24% (20% increase Pella Water Board tariffs)				
Sewerage - 7.2%				
Refuse Removal - 6.86%				
Assessment - 7.84%				
In compiling the budget cognisance was taken of the fact that there has been still no development in the council's area of jurisdiction for a number of years.				
All capital expenditure on infrastructure such as water, sewerage, electricity and refuse removal is financed from grants received from central and provincial government with the result that no development is possible. Council cannot finance IDP projects due to the tax base that is inadequate. Council received R8,840,000 from MIG for the 2011/2012. The allocation is still unspent. The allocation for the 2012/2013 from MIG amounting to R10,723,000.				
Indigents amount to 78% of the council's consumers which are financed from the equitable share grant received from Central Government, with the result that only 22 % contribute towards the council's tax base which is hopelessly inadequate to finance any development in the council's area of jurisdiction. The overspending of the 6kl water is one of the main reasons why council cannot fulfil its financial commitments and obligations.				
Provision has been made in the operating budget for an amount of R1,913,400 for provision for working capital, which is not cashed backed.				
It is therefore obvious that only labour intensive projects should in future be undertaken in order to address the chronic unemployment and poverty that exists in the council's area of jurisdiction.				
Grants received from central and provincial departments are as follows:				
Municipal Infrastructure Grant:			R 10 723 000	(Capital)
Finance Management Grant:			R 1 500 000	(Operating)
Minicipal Improvement Grant:			R 800 000	(Operating)
Equitable Share			R 12 489 000	(Operating)
DME : Electricity			1 000 000	(Capital)
Library Development Grant:			R 495 000	(Operating)
Housing allocation 2012/2013			R 11 250 000	(Running-384)
NDM			R 800 000	(Rehabilitation of landfill sites)
Vedanta			R 20 000	(Operating)
			R 39 077 000	
A.J. JOSOP				
MAYOR				

1.2 Council Resolutions

On 31 MAY 2012 the Council of Khâi-MA Local Municipality met in the Council Chambers of Khâi-MA Municipality to consider the draft annual budget of the municipality for the financial year 2012/13. The Council approved and adopted the following resolutions:

1. The Council of Khâi-MA Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual draft budget of the municipality for the financial year 2012/13 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 24;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 26;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 28; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 30.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 23 on page 32;
 - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 34;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 34;
 - 1.2.4. Asset management as contained in Table 26 on page 36; and
 - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 38.
2. The Council of Khâi-MA Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012:
 - 2.1. the tariffs for property rates – as set out in Annexure A,
 - 2.2. the tariffs for electricity – as set out in Annexure B
 - 2.3. the tariffs for the supply of water – as set out in Annexure C
 - 2.4. the tariffs for sanitation services – as set out in Annexure E
 - 2.5. the tariffs for solid waste services – as set out in Annexure F
3. The Council of Khâi-MA Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012 the tariffs for other services, as set out in Annexures G1 to G21 respectively.
4. To give proper effect to the municipality's annual budget, the Council of Khâi-MA Local Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent conditional grants are cash backed as required.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipalities financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality business and service delivery priorities were reviewed as part of this year's planning and budget process.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 51,54 and 58 were used to guide the compilation of the 2012/13 MTREF.

The main challenges experienced during the compilation of the 2012/13 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Pella Water Board and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the 2012/13 MTREF:

- The 2011/12 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2012/13 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- An upper limit of expenditure was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Refreshments and entertainment
 - Subsistence and Travelling.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2012/13 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2012/13 MTREF

R Thousand	Adjustment Budget 2011/2012	Budget 2012/2013	Budget 2013/2014	Budget 2014/2015
Total Operating Revenue	49 478 870	55 589 380	45 996 505	49 368 375
Total Operating Revenue	40 455 170	45 744 210	34 593 433	36 319 692
<i>(Surplus)/Deficit for the year</i>	9 023 700	9 845 170	11 403 072	13 048 683
Total Capital Expenditure\				

Total operating revenue has increase by 12.34% or R6,110,510 for the 2012/13 financial year when compared to the 2011/12 Adjustments Budget. For the two outer years, operational revenue will decrease by 17.23% during 2013/2014 and 11.19% during 2013/2014 respectively when compared to the 2012/13 financial year.

1.4 Operating Revenue Framework

For the KhâI-MA to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 80 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Revenue By Source											
Property rates	2	1 465	1 602	1 790	2 010	2 045	2 045	2 045	2 698	2 860	3 032
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	2 336	2 905	3 341	4 013	3 983	3 983	3 983	4 667	5 150	5 682
Service charges - water revenue	2	1 815	1 112	1 354	3 717	3 717	3 717	3 717	5 483	6 124	6 834
Service charges - sanitation revenue	2	503	576	607	606	555	555	555	744	789	836
Service charges - refuse revenue	2	331	377	422	520	442	442	442	564	597	633
Service charges - other		17	6	1 121	11	11	11	11	11	12	13
Rental of facilities and equipment		94	113	118	105	98	98	98	100	106	113
Interest earned - external investments		240	244	424	200	300	300	300	200	212	225
Interest earned - outstanding debtors		891	756	617	532	813	813	813	712	755	800
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		64	25	21	40	20	20	20	20	21	22
Licences and permits		15	16	24	16	30	30	30	30	32	34
Agency services		107	104	105	100	100	100	100	100	106	112
Transfers recognised - operational		8 924	10 221	20 871	24 149	26 800	26 800	26 800	28 984	16 667	17 738
Other revenue	2	195	233	-	10	303	303	303	1 182	1 253	1 329
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		16 996	18 290	30 816	36 030	39 218	39 218	39 218	45 496	34 685	37 402

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms not a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than one thirds of the total revenue mix. In the 2012/13 financial year, revenue from rates and services charges totalled R13 million. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Operating grants and transfers totals R26 million in the 2011/12 financial year and increases to R28 million by 2012/13. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

NC067 Khai-Ma - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		8 399	11 283	13 096	12 961	12 961	12 961	16 419	16 126	17 151
Local Government Equitable Share		5 873	7 683	9 566	10 921	10 921	10 921	12 489	13 476	14 451
Finance Management		1 250	2 750	2 850	1 250	1 250	1 250	1 500	1 750	1 750
Municipal Systems Improvement		735	850	680	790	790	790	800	900	950
Municipal Infrastructure		-	-	-	-	-	-	1 630	-	-
Water Affairs		541	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		1 745	428	14 472	11 188	12 024	12 024	495	541	587
Housing		1 470	123	13 986	10 772	11 593	11 593	-	-	-
Library		275	305	195	416	416	416	495	541	587
Tourism		-	-	14	-	-	-	-	-	-
EPWP		-	-	278	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	15	15	-	-	-
District Municipality:		283	495	103	-	1 697	1 697	800	-	-
Namakwa DM		283	495	103	-	1 697	1 697	800	-	-
-		-	-	-	-	-	-	-	-	-
Other grant providers:		45	4	-	-	-	-	20	-	-
Other		45	4	-	-	-	-	20	-	-
-		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	10 472	12 210	27 671	24 149	26 682	26 682	17 734	16 667	17 738

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Pella Water Board bulk tariffs are far beyond the mentioned inflation target.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2008 and prescribe the rate ratio for

the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R25000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- State department granted 20% of the value of a property.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a 7.84 per cent increase from 1 July 2012 is contained below:

Table 4 Comparison of proposed rates to levied for the 2012/13 financial year

Category	Current Tariff (1 July 2011)	Proposed tariff (from 1 July 2012)
	c	C
Residential properties	0.0255	0.0275
State owned properties	0.0255	0.0275
Business & Commercial	0.0255	0.0275
Agricultural	0.0009594	0.001035
Vacant land	0.0255	0.0275
Municipal rateable	0	0
Industrial	0.0255	0.0275
Non-permitted use	0	0
Public benefit organisation properties	0	0

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

A tariff increase of 30 per cent from 1 July 2012 for water is proposed.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2012/13
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
(i) 1 >	6.8	8,85
BUSSINESS		
(ii) 1>	6.8	8.85

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 6 Comparison between current water charges and increases (Domestic)

Monthly	Current amount	Proposed amount	Difference (Increase)	Percentage change
consumption	payable	Payable		
kℓ	R	R	R	
20	136.00	177.00	41.00	30.15%
30	204.00	265.50	61.50	30.15%
40	272.00	354.00	82.00	30.15%
50	340.00	442.50	102.50	30.15%
80	544.00	708.00	164.00	30.15%
100	680.00	885.00	205.00	30.15%

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 11.03 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2012.

All indigents will receive 50 kWh free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the water charges for domestic customers:

Table 7 Comparison between current electricity charges and increases (Domestic)

	TARIFF INCREASES FROM 2008/2009 UNTIL 2014/15														
	2007/2008	2008/2009	% INCREASE	2009/2010	% INCREASE	2010/2011	% INCREASE	2011/2012	% INCREASE	2012/2013	% INCREASE	2013/2014	% INCREASE	2014/2015	% INCREASE
ELECTRICITY PREPAID (ECON)	0.46	0.47	2.17	0.82	74.47	0.95	15.85	1.11	16.84	1.23	10.81	1.35	9.76	1.49	10.37
ELECTRICITY PREPAID (INDIGENT)	0.46	0.47	2.17	0.70	48.94	0.81	15.71	0.97	19.75	1.08	11.34	1.18	9.26	1.30	10.17

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2012. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

A tariff increase of 11,03 per cent for sanitation from 1 July 2012 is proposed. increase of 11 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Free sanitation will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R744,000 for the 2021/13 financial year.

The following table compares the current and proposed tariffs:

Table 8 Comparison between current sanitation charges and increases

CATEGORY	CURRENT TARIFF 2011/12		PROPOSED TARIFF 2012/13	
	per cent DISCHARGED	Basic	per cent DISCHARGED	Basic
		R		R
Residential and Indigents		65.30		70.00
Business		88.00		90.00

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 9 Comparison between current sanitation charges and increases, single dwelling-houses

Monthly sanitation	Current amount	Proposed amount	Difference
consumption	payable	Payable	(11% increase)
	R	R	R
First pump	65.30	70.00	7.40%

1.4.4 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit due to high percentage of indigents.

A 6.86 per cent increase in the waste removal tariff is proposed from 1 July 2012.

Any increase higher than 7% per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2012:

Table 10 Comparison between current waste removal fees and increases

	CURRENT TARIFFS 2011/12			PROPOSED TARIFFS 2021/13		
		WASTE REMOVAL	CLEANING		WASTE REMOVAL	CLEANING
Tariff per container per month or part of a month:Residencial		Per month (R)62.70			Per month (R)65.30	
Tariff per container per month or part of a month:Business		Per month(R)88.00			Per month (R)95.00	

The amount payable is calculated as follows:

1.4.5 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 9.2 per cent, with the increase for indigent households closer to 7.16 per cent.

Table 11 MBRR Table SA14 – Household bills

NC067 Khai-Ma - Supporting Table SA14 Household bills											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		161.00	177.10	192.20	217.35	217.35	217.35	–	234.43	246.15	258.46
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		610.00	820.00	970.00	1 160.00	1 160.00	1 160.00	–	1 230.00	1 353.00	1 488.00
Water: Basic levy		46.00	51.00	55.00	60.50	60.50	60.50	–	65.00	69.55	74.41
Water: Consumption		105.00	120.00	156.00	204.00	204.00	204.00	–	265.50	278.77	292.71
Sanitation		48.00	55.00	59.40	65.30	65.30	65.30	–	70.00	73.50	77.17
Refuse removal		48.00	52.80	57.00	62.70	62.70	62.70	–	67.00	70.35	6.39
Other		–	–	–	–	–	–	–	–	–	–
sub-total		1 018.00	1 275.90	1 489.60	1 769.85	1 769.85	1 769.85	9.2%	1 931.93	2 091.32	2 197.14
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total large household bill:		1 018.00	1 275.90	1 489.60	1 769.85	1 769.85	1 769.85	9.2%	1 931.93	2 091.32	2 197.14
% increase/-decrease			25.3%	16.7%	18.8%	–	–		9.2%	8.3%	5.1%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		303.78	408.36	408.36	577.68	577.68	577.68	–	812.00	893.20	982.52
Water: Basic levy		46.00	51.00	62.00	60.50	60.50	60.50	–	65.00	69.55	74.41
Water: Consumption		87.50	100.00	130.00	170.00	170.00	170.00	–	221.25	232.31	243.93
Sanitation		48.00	55.00	59.40	65.30	65.30	65.30	–	70.00	73.50	77.17
Refuse removal		48.00	52.80	57.00	62.70	62.70	62.70	–	67.00	70.35	6.39
Other		–	–	–	–	–	–	–	–	–	–
sub-total		533.28	667.16	716.76	936.18	936.18	936.18	31.9%	1 235.25	1 338.91	1 384.42
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		533.28	667.16	716.76	936.18	936.18	936.18	31.9%	1 235.25	1 338.91	1 384.42
% increase/-decrease			25.1%	7.4%	30.6%	–	–		31.9%	8.4%	3.4%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy		–	–	–	–	–	–	–	–	–	–
Electricity: Consumption		164.50	287.00	332.50	406.00	406.00	406.00	–	430.50	473.55	520.90
Water: Basic levy		46.00	51.00	55.00	60.50	60.50	60.50	–	65.00	69.55	74.41
Water: Consumption		21.00	24.00	31.20	40.80	40.80	40.80	–	53.10	55.75	58.54
Sanitation		48.00	55.00	59.40	65.30	65.30	65.30	–	70.00	73.50	77.17
Refuse removal		48.00	62.80	55.00	62.70	62.70	72.70	–	67.00	70.35	73.69
Other		–	–	–	–	–	–	–	–	–	–
sub-total		327.50	479.80	533.10	635.30	635.30	645.30	7.9%	685.60	742.70	804.71
VAT on Services		–	–	–	–	–	–	–	–	–	–
Total small household bill:		327.50	479.80	533.10	635.30	635.30	645.30	7.9%	685.60	742.70	804.71
% increase/-decrease			46.5%	11.1%	19.2%	–	1.6%		6.2%	8.3%	8.3%

1.5 Operating Expenditure Framework

The municipalities expenditure framework for the 2012/13 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;

- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan

The following table is a high level summary of the 2012/13 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by standard classification item

Expenditure By Type											
Employee related costs	2	5 270	5 794	6 245	8 523	8 689	8 689	8 689	11 550	12 128	12 734
Remuneration of councillors		1 246	1 421	1 399	1 679	1 698	1 698	1 698	1 774	1 874	1 978
Debt impairment	3	29	2 696	1 575	1 896	1 695	1 695	1 695	1 913	1 000	1 000
Depreciation & asset impairment	2	1 680	1 440	1 769	1 456	1 841	1 841	1 841	2 300	2 429	2 565
Finance charges		628	679	899	191	375	375	375	221	234	247
Bulk purchases	2	2 571	3 385	4 003	5 360	5 220	5 220	5 220	5 687	6 006	6 342
Other materials	8	637	725	1 015	969	1 035	1 035	1 035	1 153	1 218	1 286
Contracted services		185	156	210	5	170	170	170	10	11	11
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	8 533	5 575	12 778	16 914	19 732	19 732	19 732	21 134	9 695	10 156
Loss on disposal of PPE		6 171	0	34	-	-	-	-	-	-	-
Total Expenditure		26 951	21 872	29 927	36 993	40 455	40 455	40 455	45 744	34 593	36 320

The budgeted allocation for employee related costs for the 2012/13 financial year totals R13 million, which equals 29 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2021/13 financial year. An annual increase of 7.5 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The provision of debt impairment was determined based on an annual collection rate of 80% per cent and the Debt Write-off Policy of the municipality.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). All longterm loans are redeemed.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Pella Waterboard. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipalities infrastructure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2012/13 financial year.

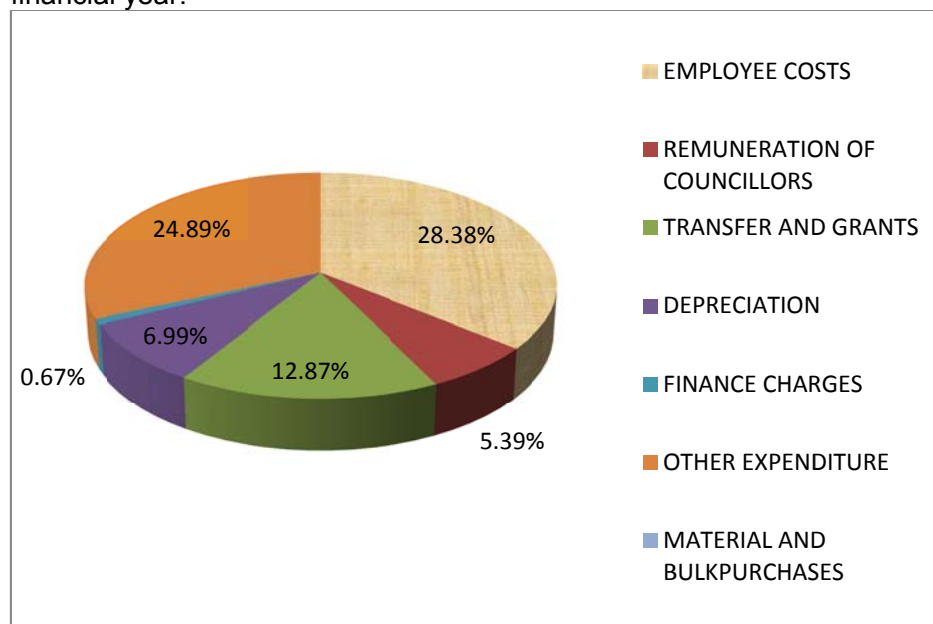


Figure 1 Main operational expenditure categories for the 2012/13 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipalities current infrastructure, the 2012/13 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the municipality.

Table 13 Operational repairs and maintenance

Repairs and Maintenance by Expenditure Item	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Employee related costs		—	—	—	—	—	—	—	—	—	—
Other materials		637 067	724 981	739 700	968 700	1 035 400	1 035 400	1 035 400	115 320	1 217 779	1 285 978
Contracted Services		184 576	156 407	220 000	5 000	170 000	170 000	170 000	10 000	10 560	11 151
Other Expenditure		—	—	—	—	—	—	—	—	—	—
Total Repairs and Maintenance Expenditure	9	821 643	821 643	821 643	821 643	821 643	821 643	821 643	821 643	821 643	821 643

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 14 Repairs and maintenance per asset class

EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		1 680	1 440	1 769	1 456	1 841	1 841	2 300	2 429	2 565
<u>Repairs and Maintenance by Asset Class</u>	3	637	725	740	1 195	1 186	1 186	1 570	1 658	1 751
Infrastructure - Road transport		-	-	-	726	726	726	173	183	193
Infrastructure - Electricity		392	527	509	188	179	179	150	158	167
Infrastructure - Water		54	90	103	117	117	117	400	422	446
Infrastructure - Sanitation		-	-	-	-	-	-	16	17	18
Infrastructure - Other		15	29	32	49	49	49	15	16	17
Infrastructure		461	645	644	1 080	1 071	1 071	754	796	847
Community		116	4	30	30	30	30	46	49	51
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	59	76	66	85	85	85	770	813	859
TOTAL EXPENDITURE OTHER ITEMS		2 318	2 165	2 508	2 651	3 027	3 027	3 870	4 087	4 316

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipalities Indigent Policy. The target is to register 1700 or more indigent households during the 2012/13 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 38.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 15 2012/13 Medium-term capital budget per vote

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	16 693	1 409	9 051	9 293	9 791	9 791	10 133	11 312	11 966
Infrastructure - Road transport		-	478	656	-	-	-	3 450	6 000	6 500
Infrastructure - Electricity		-	1	40	-	-	-	1 000	-	-
Infrastructure - Water		18	323	7 256	5 928	5 928	5 928	-	-	-
Infrastructure - Sanitation		756	95	40	-	46	46	2 731	5 312	5 466
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		773	897	7 993	5 928	5 974	5 974	7 181	11 312	11 966
Community		11	195	295	3 015	3 026	3 026	2 912	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		15 865	-	-	-	-	-	-	-	-
Other assets	6	43	317	764	350	791	791	40	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	300	528	528	-	-	-
Infrastructure - Road transport		-	-	-	300	476	476	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	300	476	476	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	52	52	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	478	656	300	476	476	3 450	6 000	6 500
Infrastructure - Road transport		-	478	656	300	476	476	3 450	6 000	6 500
Infrastructure - Electricity		-	1	40	-	-	-	1 000	-	-
Infrastructure - Water		18	323	7 256	5 928	5 928	5 928	-	-	-
Infrastructure - Sanitation		756	95	40	-	46	46	2 731	5 312	5 466
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		773	897	7 993	6 228	6 450	6 450	7 181	11 312	11 966
Community		11	195	295	3 015	3 026	3 026	2 912	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		15 865	-	-	-	-	-	-	-	-
Other assets		43	317	764	350	843	843	40	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	16 693	1 409	9 051	9 593	10 319	10 319	10 133	11 312	11 966

For 2012/13 an amount of R10 million has been appropriated for the development of infrastructure which represents 60 per cent of the total capital budget.

Total new assets represent 90 per cent or R10 million of the total capital budget while asset renewal equates to 10 per cent. Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Electricity upgrading of sub-station – R1 million
- Upgrading and renewal of sewers – R2,7 million

- Backlog eradication of roads – R3,5 million;

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35.

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2012/13 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 16 MBRR Table A1 - Budget Summary

NC067 Khai-Ma - Table A1 Budget Summary										
Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Financial Performance										
Property rates	1 465	1 602	1 790	2 010	2 045	2 045	2 045	2 698	2 860	3 032
Service charges	5 003	4 976	6 845	8 867	8 709	8 709	8 709	11 469	12 672	13 998
Investment revenue	240	244	424	200	300	300	300	200	212	225
Transfers recognised - operational	8 924	10 221	20 871	24 149	26 800	26 800	26 800	28 984	16 667	17 738
Other own revenue	1 365	1 247	886	803	1 363	1 363	1 363	2 145	2 274	2 410
Total Revenue (excluding capital transfers and contributions)	16 996	18 290	30 816	36 030	39 218	39 218	39 218	45 496	34 685	37 402
Employee costs	5 270	5 794	6 245	8 523	8 689	8 689	8 689	11 550	12 128	12 734
Remuneration of councillors	1 246	1 421	1 399	1 679	1 698	1 698	1 698	1 774	1 874	1 978
Depreciation & asset impairment	1 680	1 440	1 769	1 456	1 841	1 841	1 841	2 300	2 429	2 565
Finance charges	628	679	899	191	375	375	375	221	234	247
Materials and bulk purchases	3 208	4 110	5 018	6 329	6 255	6 255	6 255	6 841	7 224	7 628
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	14 918	8 428	14 598	18 815	21 597	21 597	21 597	23 058	10 706	11 167
Total Expenditure	26 951	21 872	29 927	36 993	40 455	40 455	40 455	45 744	34 593	36 320
Surplus/(Deficit)	(9 954)	(3 582)	889	(963)	(1 237)	(1 237)	(1 237)	(248)	91	1 083
Transfers recognised - capital	16 692	1 834	8 601	9 493	10 261	10 261	10 261	10 093	11 312	11 966
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	6 738	(1 748)	9 490	8 530	9 024	9 024	9 024	9 845	11 403	13 049
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	6 738	(1 748)	9 490	8 530	9 024	9 024	9 024	9 845	11 403	13 049
Capital expenditure & funds sources										
Capital expenditure	16 693	1 409	9 051	9 593	10 319	10 319	10 319	10 133	11 312	11 966
Transfers recognised - capital	16 692	1 409	8 601	9 493	10 259	10 259	10 259	10 093	11 312	11 966
Public contributions & donations	–	–	218	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	0	–	231	100	60	60	60	40	–	–
Total sources of capital funds	16 693	1 409	9 051	9 593	10 319	10 319	10 319	10 133	11 312	11 966
Financial position										
Total current assets	7 857	11 658	12 140	17 770	17 972	5 775	5 775	8 993	12 431	16 760
Total non current assets	45 739	46 302	63 332	70 277	70 617	71 810	71 810	79 643	88 526	97 927
Total current liabilities	9 044	14 668	12 962	4 097	4 145	6 145	6 145	6 573	6 991	7 229
Total non current liabilities	4 459	5 542	6 212	6 119	6 119	6 119	6 119	6 897	7 398	7 842
Community wealth/Equity	40 093	37 751	56 297	77 830	78 324	65 320	65 320	75 165	86 568	99 617
Cash flows										
Net cash from (used) operating	19 747	3 843	9 207	16 405	16 632	13 273	13 273	13 325	14 650	15 969
Net cash from (used) investing	(16 693)	(1 843)	(9 778)	(9 593)	(10 319)	(10 319)	(10 319)	(10 133)	(11 312)	(11 966)
Net cash from (used) financing	(525)	(553)	(485)	(215)	(215)	(215)	(215)	6	5	3
Cash/cash equivalents at the year end	2 522	3 969	(1 184)	5 952	4 914	1 555	1 555	4 753	8 096	12 102
Cash backing/surplus reconciliation										
Cash and investments available	2 523	6 493	5 309	5 952	5 952	1 755	1 755	4 753	8 097	12 102
Application of cash and investments	4 995	8 619	9 585	(31 372)	(30 576)	(3 313)	(3 313)	3 739	3 840	3 991
Balance - surplus (shortfall)	(2 473)	(2 126)	(4 276)	37 324	36 528	5 068	5 068	1 015	4 257	8 111
Asset management										
Asset register summary (WDV)	45 739	46 302	63 332	70 277	70 617	71 810	71 810	79 643	88 526	97 927
Depreciation & asset impairment	1 680	1 440	1 769	1 456	1 841	1 841	1 841	2 300	2 429	2 565
Renewal of Existing Assets	–	–	–	300	528	528	528	–	–	–
Repairs and Maintenance	637	725	740	1 195	1 186	1 186	1 186	1 570	1 658	1 751
Free services										
Cost of Free Basic Services provided	2 675	3 095	4 100	5 290	5 027	5 027	5 404	5 404	5 728	6 072
Revenue cost of free services provided	3 430	3 926	5 007	6 253	5 990	5 990	6 443	6 443	6 819	7 217
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

Table 17 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NC067 Khai-Ma - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Revenue - Standard										
<i>Municipal governance and administration</i>		24 761	11 089	15 253	15 426	16 137	16 137	17 939	19 465	20 691
Executive and council		14	797	260	-	261	261	-	-	-
Mayor and Council		14	797	260	-	261	261	-	-	-
Municipal Manager		-	-	-	-	-	-	-	-	-
Budget and treasury office		8 416	9 916	14 426	15 122	15 430	15 430	17 637	19 145	20 351
Corporate services		16 332	375	566	305	446	446	302	320	339
Human Resources		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Property Services		15 959	106	120	100	95	95	97	103	109
Other Admin		372	270	446	205	352	352	205	217	230
<i>Community and public safety</i>		1 669	680	8 524	14 467	15 510	15 510	15 024	929	999
Community and social services		191	467	730	3 690	3 912	3 912	3 769	924	993
Libraries and Archives		156	405	310	416	416	416	495	541	587
Museums & Art Galleries etc		-	-	-	-	-	-	-	-	-
Community halls and Facilities		10	5	395	3 217	3 404	3 404	3 270	379	402
Cemeteries & Crematoriums		8	0	-	3	4	4	4	4	4
Child Care		-	-	-	-	-	-	-	-	-
Aged Care		-	-	-	-	-	-	-	-	-
Other Community		17	56	26	53	88	88	-	-	-
Other Social		-	-	-	-	-	-	-	-	-
Sport and recreation		-	7	48	5	5	5	5	5	6
Public safety		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Civil Defence		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Housing		1 478	206	7 745	10 772	11 593	11 593	11 250	-	-
Health		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		177	633	846	456	1 141	1 141	4 103	6 671	7 211
Planning and development		-	-	16	-	15	15	20	-	-
Economic Development/Planning		-	-	16	-	15	15	20	-	-
Town Planning/Building		-	-	-	-	-	-	-	-	-
Licensing & Regulation		-	-	-	-	-	-	-	-	-
Road transport		177	633	830	456	1 126	1 126	4 083	6 671	7 211
Roads		0	491	679	300	976	976	3 933	6 512	7 043
Public Buses		-	-	-	-	-	-	-	-	-
Parking Garages		-	-	-	-	-	-	-	-	-
Vehicle Licensing and Testing		177	143	150	156	150	150	150	159	169
Other		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Biodiversity & Landscape		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		7 038	7 708	14 794	15 173	16 691	16 691	18 523	18 930	20 467
Electricity		2 373	2 935	3 404	4 041	4 014	4 014	5 695	5 180	5 713
Electricity Distribution		2 373	2 935	3 404	4 041	4 014	4 014	5 695	5 180	5 713
Electricity Generation		-	-	-	-	-	-	-	-	-
Water		2 899	3 596	10 173	9 895	10 467	10 467	6 043	6 580	7 317
Water Distribution		2 899	3 596	10 173	9 895	10 467	10 467	6 043	6 580	7 317
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		1 375	737	725	666	686	686	4 620	6 520	6 746
Sewerage		1 375	737	725	666	686	686	4 620	6 520	6 746
Storm Water Management		-	-	-	-	-	-	-	-	-
Public Toilets		-	-	-	-	-	-	-	-	-
Waste management		391	439	493	571	1 523	1 523	2 165	651	691
Solid Waste		391	439	493	571	1 523	1 523	2 165	651	691
Other		43	14	1	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Tourism		43	14	1	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	33 689	20 124	39 417	45 523	49 479	49 479	55 589	45 997	49 368

Expenditure - Standard									
Municipal governance and administration									
	7 096	8 595	9 905	9 662	10 360	10 360	12 512	13 280	13 877
Executive and council	2 524	2 389	2 534	3 252	3 411	3 411	3 646	3 842	4 049
Mayor and Council	1 959	1 970	2 215	2 428	2 551	2 551	2 897	3 055	3 222
Municipal Manager	565	419	319	824	860	860	749	787	827
Budget and treasury office	(2 105)	3 915	4 578	3 939	4 360	4 360	4 802	5 165	5 336
Corporate services	6 677	2 291	2 792	2 471	2 589	2 589	4 064	4 273	4 492
Human Resources	-	-	-	-	-	-	-	-	-
Information Technology	-	-	-	-	-	-	-	-	-
Property Services	4 096	51	46	50	81	81	214	226	238
Other Admin	2 582	2 239	2 746	2 421	2 508	2 508	3 850	4 047	4 254
Community and public safety	6 495	1 540	6 996	12 616	13 254	13 254	13 271	2 149	2 282
Community and social services	4 464	966	932	1 383	1 244	1 244	1 497	1 596	1 699
Libraries and Archives	445	435	461	732	626	626	853	917	982
Museums & Art Galleries etc	-	-	-	-	-	-	-	-	-
Community halls and Facilities	3 692	301	317	420	441	441	401	423	447
Cemeteries & Crematoriums	175	157	117	193	135	135	200	211	222
Child Care	-	-	-	-	-	-	-	-	-
Aged Care	-	-	-	-	-	-	-	-	-
Other Community	152	73	37	39	42	42	43	45	47
Other Social	-	-	-	-	-	-	-	-	-
Sport and recreation	546	362	299	391	346	346	403	426	449
Public safety	7	6	7	71	73	73	121	127	134
Police	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Civil Defence	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Other	7	6	7	71	73	73	121	127	134
Housing	1 478	206	5 758	10 772	11 593	11 593	11 250	-	-
Health	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Economic and environmental services	1 151	797	779	1 138	1 511	1 511	1 629	1 715	1 805
Planning and development	336	247	75	332	161	161	525	552	580
Economic Development/Planning	336	247	75	332	161	161	525	552	580
Town Planning/Building	-	-	-	-	-	-	-	-	-
Licensing & Regulation	-	-	-	-	-	-	-	-	-
Road transport	816	550	704	805	1 350	1 350	1 104	1 163	1 225
Roads	641	528	657	750	1 294	1 294	918	967	1 019
Public Buses	-	-	-	-	-	-	-	-	-
Parking Garages	-	-	-	-	-	-	-	-	-
Vehicle Licensing and Testing	175	22	48	55	56	56	186	196	206
Other	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
Pollution Control	-	-	-	-	-	-	-	-	-
Biodiversity & Landscape	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Trading services	12 097	10 853	12 113	13 407	15 145	15 145	18 132	17 238	18 134
Electricity	2 554	2 895	3 554	4 257	4 249	4 249	4 587	4 936	5 199
Electricity Distribution	2 554	2 895	3 554	4 257	4 249	4 249	4 587	4 936	5 199
Electricity Generation	-	-	-	-	-	-	-	-	-
Water	5 973	4 578	4 641	4 813	5 166	5 166	6 216	5 738	6 039
Water Distribution	5 973	4 578	4 641	4 813	5 166	5 166	6 216	5 738	6 039
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	2 040	1 851	1 970	2 309	2 370	2 370	2 466	2 481	2 602
Sewerage	2 040	1 851	1 970	2 309	2 370	2 370	2 466	2 481	2 602
Storm Water Management	-	-	-	-	-	-	-	-	-
Public Toilets	-	-	-	-	-	-	-	-	-
Waste management	1 531	1 528	1 949	2 027	3 359	3 359	4 864	4 084	4 294
Solid Waste	1 531	1 528	1 949	2 027	3 359	3 359	4 864	4 084	4 294
Other	110	87	134	170	186	186	200	211	222
Air Transport	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Tourism	110	87	134	170	186	186	200	211	222
Forestry	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	26 951	21 872	29 927	36 993	40 455	40 455	45 744	34 593	36 320
Surplus/(Deficit) for the year	6 738	(1 748)	9 490	8 530	9 024	9 024	9 845	11 403	13 049

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function.
4. **Table 18 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

NC067 Khai-Ma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Revenue by Vote	1									
Municipal Manager		14	797	260	-	261	261	-	-	-
Council and General		14	797	260	-	261	261	-	-	-
Municipal Manager		-	-	-	-	-	-	-	-	-
Finance		24 552	10 164	14 697	15 378	15 674	15 674	17 885	19 408	20 630
Assessment Rates		1 691	1 751	1 862	2 160	2 135	2 135	2 848	3 019	3 200
Chief Financial Officer		459	(60)	2 443	2 040	2 202	2 202	2 069	2 406	2 442
Internal Auditor		142	47	161	-	171	171	232	245	258
Other Subsidies		6 123	8 178	9 960	10 921	10 921	10 921	12 489	13 476	14 451
Property Services		15 959	106	120	100	95	95	97	103	109
Vehicle Licencing and Testing		177	143	150	156	150	150	150	159	169
Corporate Services		563	737	1 176	3 894	4 264	4 264	3 973	1 141	1 223
Cemetery		8	0	-	3	4	4	4	4	4
Corporate Services		372	270	446	205	352	352	205	217	230
Disaster Management		-	-	-	-	-	-	-	-	-
Library		156	405	310	416	416	416	495	541	587
Municipal and Public Buildings		10	5	395	3 217	3 404	3 404	3 270	379	402
Public Works		17	56	26	53	88	88	-	-	-
Health		-	-	-	-	-	-	-	-	-
Infrastructure Development		7 039	8 206	15 521	15 478	17 672	17 672	22 461	25 448	27 516
Electricity		2 373	2 935	3 404	4 041	4 014	4 014	5 695	5 180	5 713
Parks and Recreation		-	7	48	5	5	5	5	5	6
Refuse		391	439	493	571	1 523	1 523	2 165	651	691
Roads		0	491	679	300	976	976	3 933	6 512	7 043
Sewerage		1 375	737	725	666	686	686	4 620	6 520	6 746
Television		-	-	-	-	-	-	-	-	-
Water		2 899	3 596	10 173	9 895	10 467	10 467	6 043	6 580	7 317
Economic Development		1 522	220	7 762	10 772	11 608	11 608	11 270	-	-
Housing		1 478	206	7 745	10 772	11 593	11 593	11 250	-	-
IDP/LED		-	-	16	-	15	15	20	-	-
Tourism		43	14	1	-	-	-	-	-	-
Total Revenue by Vote	2	33 689	20 124	39 417	45 523	49 479	49 479	55 589	45 997	49 368
Expenditure by Vote	1									
Municipal Manager		2 524	2 389	2 534	3 252	3 411	3 411	3 646	3 842	4 049
Council and General		1 959	1 970	2 215	2 428	2 551	2 551	2 897	3 055	3 222
Municipal Manager		565	419	319	824	860	860	749	787	827
Finance		2 165	3 989	4 672	4 044	4 497	4 497	5 201	5 587	5 780
Assessment Rates		1 572	4	498	283	300	300	300	200	200
Chief Financial Officer		(4 221)	3 148	3 292	3 276	3 520	3 520	3 903	4 334	4 470
Internal Auditor		118	47	153	-	160	160	219	230	241
Other Subsidies		426	716	635	380	380	380	380	401	424
Property Services		4 096	51	46	50	81	81	214	226	238
Vehicle Licencing and Testing		175	22	48	55	56	56	186	196	206
Corporate Services		7 013	3 166	3 649	3 836	3 782	3 782	5 425	5 726	6 040
Cemetery		175	157	117	193	135	135	200	211	222
Corporate Services		2 582	2 239	2 746	2 421	2 508	2 508	3 850	4 047	4 254
Disaster Management		7	6	7	71	73	73	121	127	134
Library		445	435	461	732	626	626	853	917	982
Municipal and Public Buildings		3 692	301	317	420	441	441	401	423	447
Public Works		113	28	(0)	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Infrastructure Development		13 324	11 787	13 106	14 587	16 826	16 826	19 496	18 676	19 649
Electricity		2 554	2 895	3 554	4 257	4 249	4 249	4 587	4 936	5 199
Parks and Recreation		546	362	299	391	346	346	403	426	449
Refuse		1 531	1 528	1 949	2 027	3 359	3 359	4 864	4 084	4 294
Roads		641	528	657	750	1 294	1 294	918	967	1 019
Sewerage		2 040	1 851	1 970	2 309	2 370	2 370	2 466	2 481	2 602
Television		39	45	37	39	42	42	43	45	47
Water		5 973	4 578	4 641	4 813	5 166	5 166	6 216	5 738	6 039
Economic Development		1 924	540	5 967	11 274	11 939	11 939	11 975	763	802
Housing		1 478	206	5 758	10 772	11 593	11 593	11 250	-	-
IDP/LED		336	247	75	332	161	161	525	552	580
Tourism		110	87	134	170	186	186	200	211	222
Total Expenditure by Vote	2	26 951	21 872	29 927	36 993	40 455	40 455	45 744	34 593	36 320
Surplus/(Deficit) for the year	2	6 738	(1 748)	9 490	8 530	9 024	9 024	9 845	11 403	13 049

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 19 Surplus/(Deficit) calculations for the trading services

Discription	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expen		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Electricity										
Total revenue		2 372.683	2 935.324	3 404.216	4 041.200	4 014.200	4 014.200	5 695.260	5 179.666	5 713.405
Operating expenditure		2 554.167	2 895.360	3 553.556	4 257.190	4 249.380	4 249.380	4 586.740	4 935.957	5 199.027
Surplus/(Deficit) for the year		(181)	40	(149)	(216)	(235)	(235)	1 109	244	514
Percentage Surplus		-8	1	-4	-5	-6	-6	19	5	9
Water										
Total revenue		2 899.499	3 596.275	10 172.504	9 894.970	10 467.310	10 467.310	6 043.050	6 579.525	7 317.157
Operating expenditure		5 972.973	4 578.168	4 640.715	4 813.460	5 165.940	5 165.940	6 215.690	5 737.821	6 038.911
Surplus/(Deficit) for the year		(3 073)	(982)	5 532	5 082	5 301	5 301	(173)	842	1 278
Percentage Surplus		-106	-27	54	51	51	51	-3	13	17

2. The electricity trading surplus is deteriorating over the 2012/13 MTREF from 19 per cent in 2013/14 to 13 per cent and by 2014/15 9 per sent. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. The surplus on the water account remains relatively constant over the MTREF translating into a deficit of 3 per cent, 13 per cent and 17 per cent for each of the respective financial years.

Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	1 465	1 602	1 790	2 010	2 045	2 045	2 045	2 698	2 860	3 032
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	2 336	2 905	3 341	4 013	3 983	3 983	3 983	4 667	5 150	5 682
Service charges - water revenue	2	1 815	1 112	1 354	3 717	3 717	3 717	3 717	5 483	6 124	6 834
Service charges - sanitation revenue	2	503	576	607	606	555	555	555	744	789	836
Service charges - refuse revenue	2	331	377	422	520	442	442	442	564	597	633
Service charges - other		17	6	1 121	11	11	11	11	11	12	13
Rental of facilities and equipment		94	113	118	105	98	98	98	100	106	113
Interest earned - external investments		240	244	424	200	300	300	300	200	212	225
Interest earned - outstanding debtors		891	756	617	532	813	813	813	712	755	800
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		64	25	21	40	20	20	20	20	21	22
Licences and permits		15	16	24	16	30	30	30	30	32	34
Agency services		107	104	105	100	100	100	100	100	106	112
Transfers recognised - operational		8 924	10 221	20 871	24 149	26 800	26 800	26 800	28 984	16 667	17 738
Other revenue	2	195	233	-	10	303	303	303	1 182	1 253	1 329
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		16 996	18 290	30 816	36 030	39 218	39 218	39 218	45 496	34 685	37 402
Expenditure By Type											
Employee related costs	2	5 270	5 794	6 245	8 523	8 689	8 689	8 689	11 550	12 128	12 734
Remuneration of councillors		1 246	1 421	1 399	1 679	1 698	1 698	1 698	1 774	1 874	1 978
Debt impairment	3	29	2 696	1 575	1 896	1 695	1 695	1 695	1 913	1 000	1 000
Depreciation & asset impairment	2	1 680	1 440	1 769	1 456	1 841	1 841	1 841	2 300	2 429	2 565
Finance charges		628	679	899	191	375	375	375	221	234	247
Bulk purchases	2	2 571	3 385	4 003	5 360	5 220	5 220	5 220	5 687	6 006	6 342
Other materials	8	637	725	1 015	969	1 035	1 035	1 035	1 153	1 218	1 286
Contracted services		185	156	210	5	170	170	170	10	11	11
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	8 533	5 575	12 778	16 914	19 732	19 732	19 732	21 134	9 695	10 156
Loss on disposal of PPE		6 171	0	34	-	-	-	-	-	-	-
Total Expenditure		26 951	21 872	29 927	36 993	40 455	40 455	40 455	45 744	34 593	36 320
Surplus/(Deficit)		(9 954)	(3 582)	889	(963)	(1 237)	(1 237)	(1 237)	(248)	91	1 083
Transfers recognised - capital	6	16 692	1 834	8 601	9 493	10 261	10 261	10 261	10 093	11 312	11 966
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		6 738	(1 748)	9 490	8 530	9 024	9 024	9 024	9 845	11 403	13 049
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		6 738	(1 748)	9 490	8 530	9 024	9 024	9 024	9 845	11 403	13 049
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		6 738	(1 748)	9 490	8 530	9 024	9 024	9 024	9 845	11 403	13 049
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		6 738	(1 748)	9 490	8 530	9 024	9 024	9 024	9 845	11 403	13 049

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R45 million in 2012/13 and decrease due to the grant allocations to R34 million by 2013/14 and 2014/2015 to R37 million.
2. Revenue to be generated from property rates is R2.6 million in the 2012/13 financial year and increases to R2.8 million by 2013/14 and by 2014/2015 R3 million. It remains relatively constant over the medium-term and tariff increases have been factored in at 7.8 per cent, 8 per cent and 9 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing rapidly over the MTREF.

The municipality is grant dependent and is it important to increase the equitable share every year.

Figure 2 Expenditure by major type

5. Bulk purchases have significantly increased over the 2008/9 to 2014/15 period. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Pella Water Board.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

NC067 Khai-Ma - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Municipal Manager		-	-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-	-
Corporate Services		-	-	-	-	-	-	-	-	-	-
Infrastructure Development		-	-	7 993	5 928	5 928	5 928	5 928	4 450	6 000	6 500
Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	7 993	5 928	5 928	5 928	5 928	4 450	6 000	6 500
Single-year expenditure to be appropriated	2										
Municipal Manager		10	274	341	50	309	309	309	40	-	-
Finance		15 865	225	422	-	-	-	-	-	-	-
Corporate Services		11	-	295	3 315	3 508	3 508	3 508	2 912	-	-
Infrastructure Development		807	910	-	300	574	574	574	2 731	5 312	5 466
Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		16 693	1 409	1 058	3 665	4 391	4 391	4 391	5 683	5 312	5 466
Total Capital Expenditure - Vote		16 693	1 409	9 051	9 593	10 319	10 319	10 319	10 133	11 312	11 966
Capital Expenditure - Standard											
Governance and administration		15 875	274	456	50	309	309	309	40	-	-
Executive and council		10	274	353	50	309	309	309	40	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		15 865	-	103	-	-	-	-	-	-	-
Community and public safety		11	225	574	3 315	3 508	3 508	3 508	2 912	-	-
Community and social services		11	225	530	3 315	3 508	3 508	3 508	2 912	-	-
Sport and recreation		-	-	44	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	491	656	300	476	476	476	3 450	6 000	6 500
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	491	656	300	476	476	476	3 450	6 000	6 500
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		807	419	7 365	5 928	6 026	6 026	6 026	3 731	5 312	5 466
Electricity		-	1	40	-	-	-	-	1 000	-	-
Water		51	323	7 284	5 928	5 928	5 928	5 928	-	-	-
Waste water management		756	93	40	-	98	98	98	2 731	5 312	5 466
Waste management		-	1	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	16 693	1 409	9 051	9 593	10 319	10 319	10 319	10 133	11 312	11 966
Funded by:											
National Government		-	1 409	7 394	8 840	9 116	9 116	9 116	10 093	11 312	11 966
Provincial Government		16 692	-	385	300	300	300	300	-	-	-
District Municipality		-	-	808	353	843	843	843	-	-	-
Other transfers and grants		-	-	15	-	-	-	-	-	-	-
Transfers recognised - capital	4	16 692	1 409	8 601	9 493	10 259	10 259	10 259	10 093	11 312	11 966
Public contributions & donations	5	-	-	218	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		0	-	231	100	60	60	60	40	-	-
Total Capital Funding	7	16 693	1 409	9 051	9 593	10 319	10 319	10 319	10 133	11 312	11 966

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table 22 MBRR Table A6 - Budgeted Financial Position

NC067 Khai-Ma - Table A6 Budgeted Financial Position											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
ASSETS											
Current assets											
Cash		0	7 223	287	5 752	5 752	1 555	1 555	4 553	7 897	11 902
Call investment deposits	1	3 078	–	5 021	200	200	200	200	200	200	200
Consumer debtors	1	3 200	2 134	1 927	10 641	10 843	2 843	2 843	3 027	3 169	3 422
Other debtors		515	1 235	1 749	107	107	107	107	113	–	–
Current portion of long-term receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	1 064	1 067	3 155	1 070	1 070	1 070	1 070	1 100	1 166	1 236
Total current assets		7 857	11 658	12 140	17 770	17 972	5 775	5 775	8 993	12 431	16 760
Non current assets											
Long-term receivables		–	–	–	–	–	–	–	–	–	–
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		–	–	–	–	–	–	–	–	–	–
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	45 739	45 874	62 945	70 277	70 617	71 423	71 423	79 256	88 139	97 540
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		–	428	387	–	–	387	387	387	387	387
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		45 739	46 302	63 332	70 277	70 617	71 810	71 810	79 643	88 526	97 927
TOTAL ASSETS		53 596	57 961	75 472	88 047	88 589	77 584	77 584	88 635	100 957	114 687
LIABILITIES											
Current liabilities											
Bank overdraft	1	556	730	–	–	–	–	–	–	–	–
Borrowing	4	61	120	260	–	–	–	–	–	–	–
Consumer deposits		48	54	51	64	64	64	64	70	75	78
Trade and other payables	4	8 288	13 197	12 025	3 943	3 990	5 990	5 990	6 412	6 823	7 052
Provisions		91	566	627	91	91	91	91	91	93	99
Total current liabilities		9 044	14 668	12 962	4 097	4 145	6 145	6 145	6 573	6 991	7 229
Non current liabilities											
Borrowing		363	243	74	–	–	–	–	–	–	–
Provisions		4 096	5 299	6 138	6 119	6 119	6 119	6 119	6 897	7 398	7 842
Total non current liabilities		4 459	5 542	6 212	6 119	6 119	6 119	6 119	6 897	7 398	7 842
TOTAL LIABILITIES		13 503	20 210	19 175	10 217	10 265	12 265	12 265	13 470	14 389	15 070
NET ASSETS	5	40 093	37 751	56 297	77 830	78 324	65 320	65 320	75 165	86 568	99 617
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		40 080	33 560	52 214	74 009	74 503	61 419	61 419	71 398	82 936	96 119
Reserves	4	13	4 190	4 083	3 822	3 822	3 901	3 901	3 767	3 632	3 498
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	40 093	37 751	56 297	77 830	78 324	65 320	65 320	75 165	86 568	99 617

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in

order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

NC067 Khai-Ma - Table A7 Budgeted Cash Flows											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		6 942	10 633	6 875	38 389	38 266	38 266	38 266	13 498	16 022	17 386
Government - operating	1	8 920	10 252	22 911	24 149	26 682	26 682	26 682	28 984	16 667	17 738
Government - capital	1	16 692	1 804	6 301	9 493	9 958	9 958	9 958	10 093	11 312	11 966
Interest		1 131	244	1 041	732	1 113	1 113	1 113	912	967	1 025
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(10 448)	(18 728)	(27 473)	(42 939)	(44 605)	(47 964)	(47 964)	(39 941)	(30 084)	(31 899)
Finance charges		(628)	(361)	(448)	(191)	(7)	(7)	(7)	(221)	(234)	(247)
Transfers and Grants	1	(2 862)	-	-	(13 228)	(14 774)	(14 774)	(14 774)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		19 747	3 843	9 207	16 405	16 632	13 273	13 273	13 325	14 650	15 969
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(16 693)	(1 843)	(9 778)	(9 593)	(10 319)	(10 319)	(10 319)	(10 133)	(11 312)	(11 966)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(16 693)	(1 843)	(9 778)	(9 593)	(10 319)	(10 319)	(10 319)	(10 133)	(11 312)	(11 966)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		6	7	(3)	6	6	6	6	6	5	3
Payments											
Repayment of borrowing		(531)	(560)	(481)	(221)	(221)	(221)	(221)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(525)	(553)	(485)	(215)	(215)	(215)	(215)	6	5	3
NET INCREASE/ (DECREASE) IN CASH HELD		2 529	1 447	(1 055)	6 597	6 098	2 739	2 739	3 198	3 343	4 006
Cash/cash equivalents at the year begin:	2	(7)	2 522	(129)	(645)	(1 184)	(1 184)	(1 184)	1 555	4 753	8 096
Cash/cash equivalents at the year end:	2	2 522	3 969	(1 184)	5 952	4 914	1 555	1 555	4 753	8 096	12 102

Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC067 Khai-Ma - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	2 522	3 969	(1 184)	5 952	4 914	1 555	1 555	4 753	8 096	12 102
Other current investments > 90 days		0	2 524	6 493	0	1 038	200	200	(0)	0	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		2 523	6 493	5 309	5 952	5 952	1 755	1 755	4 753	8 097	12 102
Application of cash and investments											
Unspent conditional transfers		2 751	8 894	6 118	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	214	155	155	155	155	-	-	-
Other working capital requirements	3	2 245	(275)	3 253	(31 539)	(30 743)	(3 480)	(3 480)	3 726	3 827	3 991
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	13	13	13	13	13	13	-
Total Application of cash and investments:		4 995	8 619	9 585	(31 372)	(30 576)	(3 313)	(3 313)	3 739	3 840	3 991
Surplus(shortfall)		(2 473)	(2 126)	(4 276)	37 324	36 528	5 068	5 068	1 015	4 257	8 111

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 25 MBRR Table A9 - Asset Management

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	16 693	1 409	9 051	9 293	9 791	9 791	10 133	11 312	11 966
Infrastructure - Road transport		-	478	656	-	-	-	3 450	6 000	6 500
Infrastructure - Electricity		-	1	40	-	-	-	1 000	-	-
Infrastructure - Water		18	323	7 256	5 928	5 928	5 928	-	-	-
Infrastructure - Sanitation		756	95	40	-	46	46	2 731	5 312	5 466
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		773	897	7 993	5 928	5 974	5 974	7 181	11 312	11 966
Community		11	195	295	3 015	3 026	3 026	2 912	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		15 865	-	-	-	-	-	-	-	-
Other assets	6	43	317	764	350	791	791	40	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	300	528	528	-	-	-
Infrastructure - Road transport		-	-	-	300	476	476	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	300	476	476	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	52	52	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	478	656	300	476	476	3 450	6 000	6 500
Infrastructure - Electricity		-	1	40	-	-	-	1 000	-	-
Infrastructure - Water		18	323	7 256	5 928	5 928	5 928	-	-	-
Infrastructure - Sanitation		756	95	40	-	46	46	2 731	5 312	5 466
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		773	897	7 993	6 228	6 450	6 450	7 181	11 312	11 966
Community		11	195	295	3 015	3 026	3 026	2 912	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		15 865	-	-	-	-	-	-	-	-
Other assets	43	317	764	350	843	843	843	40	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	16 693	1 409	9 051	9 593	10 319	10 319	10 133	11 312	11 966
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		-	-	2 099	-	-	2 475	5 813	11 695	18 069
Infrastructure - Electricity		-	-	2 750	-	-	2 650	3 570	3 485	3 395
Infrastructure - Water		-	-	14 114	-	-	19 791	19 069	18 307	17 501
Infrastructure - Sanitation		-	-	2 823	-	-	2 779	5 435	10 668	16 050
Infrastructure - Other		8 687	8 898	1 752	25 984	26 324	1 456	1 070	662	232
Infrastructure		8 687	8 898	23 538	25 984	26 324	29 152	34 957	44 816	55 248
Community		8 442	8 646	8 596	11 611	11 611	11 340	14 099	13 936	13 765
Heritage assets		62	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		28 548	28 329	30 811	32 682	32 682	30 930	30 200	29 387	28 528
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	428	387	-	-	387	387	387	387
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	45 739	46 302	63 332	70 277	70 617	71 810	79 643	88 526	97 927
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		1 680	1 440	1 769	1 456	1 841	1 841	2 300	2 429	2 565
Repairs and Maintenance by Asset Class	3	637	725	740	1 195	1 186	1 186	1 570	1 658	1 751
Infrastructure - Road transport		-	-	-	726	726	726	173	183	193
Infrastructure - Electricity		392	527	509	188	179	179	150	158	167
Infrastructure - Water		54	90	103	117	117	117	400	422	446
Infrastructure - Sanitation		-	-	-	-	-	-	16	17	18
Infrastructure - Other		15	29	32	49	49	49	15	16	17
Infrastructure		467	645	644	1 080	1 071	1 071	754	796	841
Community		116	4	30	30	30	30	46	49	51
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	59	76	66	85	85	85	770	813	859
TOTAL EXPENDITURE OTHER ITEMS		2 318	2 165	2 508	2 651	3 027	3 027	3 870	4 087	4 316
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	3.1%	5.1%	5.1%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	20.6%	28.7%	28.7%	0.0%	0.0%	0.0%
R&M as a % of PPE		1.4%	1.6%	1.2%	1.7%	1.7%	1.7%	2.0%	1.9%	1.8%
Renewal and R&M as a % of PPE		1.0%	2.0%	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 26 MBRR Table A10 - Basic Service Delivery Measurement

NC067 Khai-Ma - Table A10 Basic service delivery measurement										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets										
<u>Water:</u>										
Piped water inside dwelling	1	30	43	55	125	125	125	56	77	80
Piped water inside yard (but not in dwelling)	2	70	55	60	50	50	50	75	100	100
Using public tap (at least min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		100	98	115	175	175	175	131	177	180
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	100	98	115	175	175	175	131	177	180
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		30	43	55	125	125	125	56	77	80
Flush toilet (with septic tank)		70	55	60	50	50	50	75	100	100
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		50	41	35	30	30	30	20	25	40
<i>Minimum Service Level and Above sub-total</i>		150	139	150	205	205	205	151	202	220
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	150	139	150	205	205	205	151	202	220
<u>Energy:</u>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		30	40	51	52	50	50	110	125	128
<i>Minimum Service Level and Above sub-total</i>		30	40	51	52	50	50	110	125	128
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	30	40	51	52	50	50	110	125	128
<u>Refuse:</u>										
Removed at least once a week		1 802	1 850	1 865	2 026	2 026	2 026	2 035	2 060	2 090
<i>Minimum Service Level and Above sub-total</i>		1 802	1 850	1 865	2 026	2 026	2 026	2 035	2 060	2 090
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	1 802	1 850	1 865	2 026	2 026	2 026	2 035	2 060	2 090
Households receiving Free Basic Service										
Water (6 kilolitres per household per month)	7	1 437	1 445	1 563	1 788	1 698	1 698	1 700	1 785	1 874
Sanitation (free minimum level service)		1 437	1 445	1 563	1 788	1 698	1 698	1 700	1 785	1 874
Electricity/other energy (50kwh per household per month)		1 359	1 367	1 485	1 710	1 620	1 620	1 700	1 785	1 874
Refuse (removed at least once a week)		1 437	1 445	1 563	1 788	1 698	1 698	1 700	1 785	1 874
Cost of Free Basic Services provided (R'000)										
Water (6 kilolitres per household per month)	8	837 132	949 760	1 616 770	2 174	2 174	2 174	2 309	2 448	2 595
Sanitation (free sanitation service)		820 077	958 902	1 114 100	1 401	1 230	1 230	1 328	1 408	1 492
Electricity/other energy (50kwh per household per month)		182 987	246 468	300 000	370	400	400	400	424	449
Refuse (removed once a week)		834 494	940 002	1 069 100	1 345	1 223	1 223	1 367	1 449	1 536
Total cost of FBS provided (minimum social package)		2 675	3 095	4 100	5 290	5 027	5 027	5 404	5 728	6 072
Highest level of free service provided										
Property rates (R value threshold)		25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000	25 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		48	55	59	63	63	63	67	70	74
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		5	5	5	5	5	5	5	5	5
Revenue cost of free services provided (R'000)										
Property rates (R15 000 threshold rebate)	9	755 629	831 192	906 755	963	963	963	1 039	1 091	1 145
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		837 132	949 760	1 616 770	2 173 500	2 173 500	2 173 500	2 309 240	2 447 794	2 594 662
Sanitation		820 077	958 902	1 114 100	1 401 080	1 230 000	1 230 000	1 328 000	1 407 680	1 492 141
Electricity/other energy		182 987	246 468	300 000	370 000	400 000	400 000	400 000	424 000	449 440
Refuse		834 494	940 002	1 069 100	1 345 300	1 223 000	1 223 000	1 366 800	1 448 808	1 535 736
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)	6	3 430	3 926	5 007	6 253	5 990	5 990	6 443	6 819	7 217

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August) a time schedule that sets out the process to revise the IDP and prepare the budget.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The municipalities IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2012/13 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2012/13 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;
- Pensioners cannot afford the tariff increases due to low annual pension increases; and
- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.
- The final Eskom bulk tariff increase, applicable to municipalities from 1 July 2012, was factored into the proposed consumer tariffs, applicable from 1 July 2011. This resulted in an increase of 11.03 per cent.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and

direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

Table 27 IDP Strategic Objectives

2011/12 Financial Year	2012/13 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the municipality.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
 - Implementing the municipality in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

The 2012/13 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure. Table 28 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

NC067 Khai-Ma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand													
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation			391	439	644	571	1 523	1 523	2 165	651	691	
	Develop, manage and regulate the built and natural environment			-	-	-	-	15	15	20	-	-	
Quality Living Environment	Meet service needs and address backlogs			8 126	7 966	17 732	25 674	27 736	27 736	31 541	24 791	26 820	
Safe, Healthy and Secure Environment	Promoting the safety of citizens			177	143	156	156	150	150	150	159	169	
	Promoting the health of citizens			8	0	3	3	4	4	4	4	4	
Embracing our Cultural Diversity	Promote sport and recreation within the town			-	7	10	5	5	5	5	5	6	
Good Governance	Ensure accessibility and promote governance.			16 182	1 327	5 307	3 733	4 176	4 176	3 862	1 023	1 098	
	Create an efficient, effective and accountable administration			390	326	305	258	440	440	205	217	230	
Financial Viability and Sustainability	Strategic and sustainable budgeting. Grow and diversify our revenues and Value for money expenditure			8 416	9 916	15 261	15 122	15 430	15 430	17 637	19 145	20 351	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	33 689	20 124	39 417	45 523	49 479	49 479	55 589	45 997	49 368

Table 29 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NC067 Khai-Ma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand													
Sustaining the Natural and Built Environment	Climate protection and pollution minimisation			1 531	1 528	1 904	2 027	3 359	3 359	4 864	4 084	4 294	
	Develop, manage and regulate the built and natural environment			336	247	506	332	161	161	525	552	580	
Quality Living Environment	Meet service needs and address backlogs			12 686	10 086	15 110	22 902	24 672	24 672	25 567	14 258	15 002	
Safe, Healthy and Secure Environment	Promoting the safety of citizens			182	28	101	126	129	129	177	186	197	
	Promoting the health of citizens			175	157	159	193	135	135	200	211	222	
Embracing our Cultural Diversity	Promote sport and recreation within the town			546	362	308	391	346	346	403	426	449	
Good Governance	Ensure accessibility and promote governance.			10 301	2 845	3 389	3 799	3 884	3 884	4 565	4 832	5 111	
	Create an efficient, effective and accountable administration			3 299	2 704	2 791	3 285	3 410	3 410	4 642	4 879	5 128	
Financial Viability and Sustainability	Strategic and sustainable budgeting. Grow and diversify our revenues and Value for money			(2 105)	3 915	5 660	3 939	4 360	4 360	4 802	5 165	5 336	
Allocations to other priorities													
Total Expenditure				1	26 951	21 872	29 927	36 993	40 455	40 455	45 744	34 593	36 320

Table 30 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

NC067 Khai-Ma - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Vote 4 - Infrastructure Development										
Function 1 - Water										
Sub-function 1 - Water distribution										
Upgrading of water supply networks- Access to water	% of households	40.0%	60.0%	65.0%	80.0%	80.0%	80.0%	60.0%	70.0%	85.0%
Function 2 - Waste Water Management										
Sub-function 2 - Sewerage										
Upgrading of sewerage networks- Access to sanitation	% of households	5.0%	20.0%	55.0%	80.0%	80.0%	80.0%	65.0%	70.0%	85.0%
Function 3 - Waste Management										
Sub-function 1 - Solid Waste										
Extension/New land fill sites	% of households	5.0%	40.0%	30.0%	80.0%	80.0%	80.0%	50.0%	50.0%	60.0%
Function 4 - Electricity										
Sub-function 1 - Electricity										
Provision of new electricity connections- Access to electr.	% of households	30.0%	35.0%	20.0%	20.0%	20.0%	20.0%	40.0%	50.0%	75.0%
Function 5 - Parks and Recreation										
Sub-function 1 - Parks										
Upgrading of Sport Facilities	% of households	5.0%	5.0%	20.0%	80.0%	80.0%	80.0%	50.0%	55.0%	60.0%
Function 6 - Roads										
Sub-function 1 - Roads										
Provision of new access roads	% of households	5.0%	5.0%	5.0%	80.0%	80.0%	80.0%	30.0%	45.0%	60.0%
Vote 2 - Economic Development										
Function 1 - Housing										
Sub-function 1 - Housing										
	% km's	30.0%	40.0%	40.0%	80.0%	80.0%	80.0%	100.0%	100.0%	100.0%

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and must implement a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

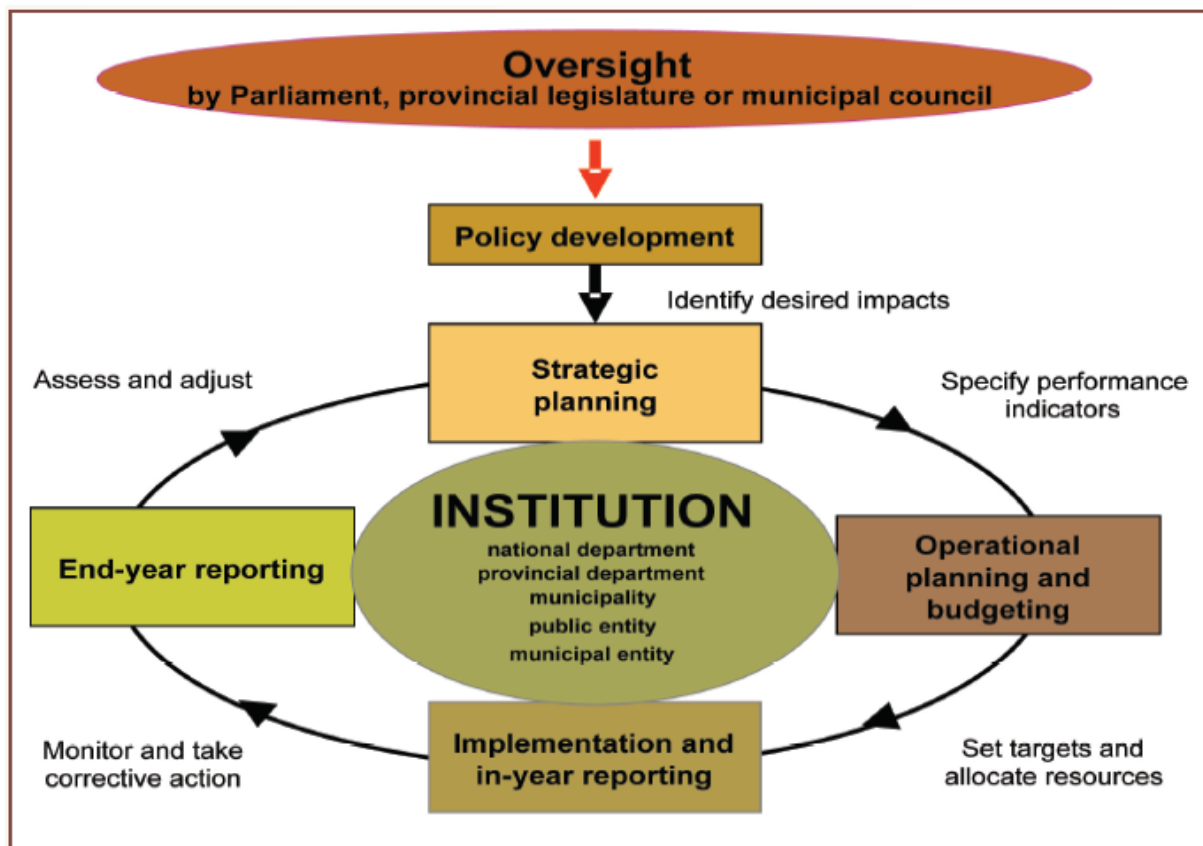


Figure 3 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

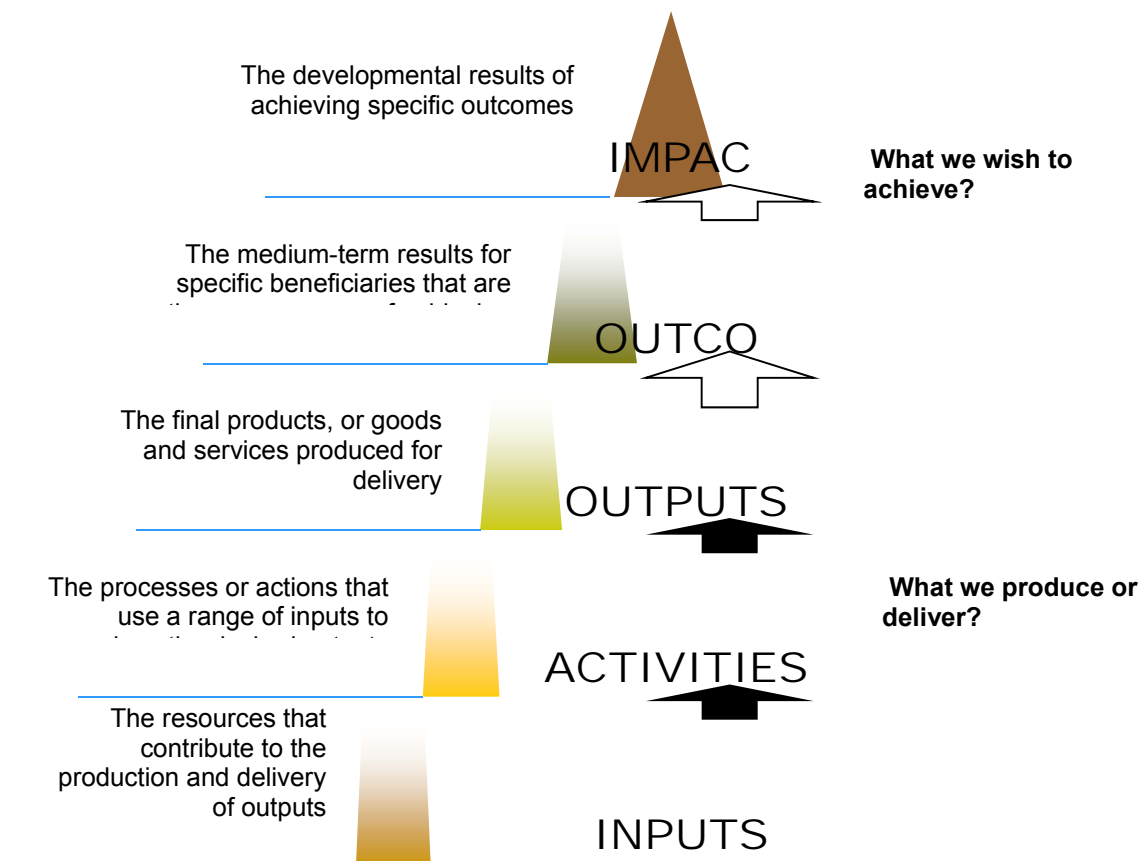


Figure 4 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 31 MBRR Table SA7 - Measurable performance objectives

NC067 Khai-Ma - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Vote 4 - Infrastructure Development										
Function 1 - Water										
Sub-function 1 - Water distribution										
Upgrading of water supply networks- Access to water	% of households	40.0%	60.0%	65.0%	80.0%	80.0%	80.0%	60.0%	70.0%	85.0%
Function 2 - Waste Water Management										
Sub-function 2 - Sewerage										
Upgrading of sewerage networks- Access to sanitation	% of households	5.0%	20.0%	55.0%	80.0%	80.0%	80.0%	65.0%	70.0%	85.0%
Function 3 - Waste Management										
Sub-function 1 - Solid Waste										
Extension/New land fill sites	% of households	5.0%	40.0%	30.0%	80.0%	80.0%	80.0%	50.0%	50.0%	60.0%
Function 4 - Electricity										
Sub-function 1 - Electricity										
Provision of new electricity connections- Access to electr.	% of households	30.0%	35.0%	20.0%	20.0%	20.0%	20.0%	40.0%	50.0%	75.0%
Function 5 - Parks and Recreation										
Sub-function 1 - Parks										
Upgrading of Sport Facilities	% of households	5.0%	5.0%	20.0%	80.0%	80.0%	80.0%	50.0%	55.0%	60.0%
Function 6 - Roads										
Sub-function 1 - Roads										
Provision of new access roads	% of households	5.0%	5.0%	5.0%	80.0%	80.0%	80.0%	30.0%	45.0%	60.0%
Vote 2 - Economic Development										
Function 1 - Housing										
Sub-function 1 - Housing										
	% km's	30.0%	40.0%	40.0%	80.0%	80.0%	80.0%	100.0%	100.0%	100.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2012/13 MTREF.

Table 32 MBRR Table SA8 - Performance indicators and benchmarks

NC067 Khai-Ma - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.3%	5.7%	4.6%	1.1%	1.5%	1.5%	1.5%	0.5%	0.7%	0.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	14.4%	15.4%	13.9%	3.5%	4.8%	4.8%	4.8%	1.3%	1.3%	1.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	2873.3%	5.8%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.9	0.8	0.9	4.3	4.3	0.9	0.9	1.4	1.8	2.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	0.8	0.9	4.3	4.3	0.9	0.9	1.4	1.8	2.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.5	0.4	1.5	1.4	0.3	0.3	0.7	1.2	1.7
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		88.6%	135.9%	72.2%	328.7%	315.8%	315.8%	315.8%	82.7%	90.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			88.6%	135.9%	72.2%	328.7%	315.8%	315.8%	315.8%	82.7%	90.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	21.9%	18.4%	11.9%	29.8%	27.9%	7.5%	7.5%	6.9%	9.1%	9.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	5.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Creditors to Cash and Investments		219.5%	108.4%	-498.7%	63.6%	78.1%	375.4%	375.3%	133.0%	82.5%	58.3%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	16.3%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	10.0%	10.0%	10.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	14.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	15.0%	15.0%	15.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.0%	31.7%	20.3%	23.7%	22.2%	22.2%	22.2%	25.4%	35.0%	34.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	38.3%	39.3%	31.2%	28.3%	26.4%	26.4%		28.3%	39.0%	38.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.7%	4.0%	2.4%	3.3%	3.0%	3.0%		3.5%	4.8%	4.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.6%	11.6%	8.7%	4.6%	5.7%	5.7%	5.7%	5.5%	7.7%	7.5%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	10.0	5.3	10.4	8.9	8.9	8.9	13.6	17.1	17.6	19.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	56.6%	50.3%	42.0%	97.9%	100.9%	27.2%	27.2%	22.0%	20.3%	20.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	2.6	(0.6)	2.3	1.7	0.5	0.5	1.5	3.2	4.6

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, borrowing strategy is primarily informed by the affordability of debt repayments.

2.3.1.2 *Safety of Capital*

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.
- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 120 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.3 *Creditors Management*

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.
- The electricity distribution losses have been managed downwards from 13 per cent in the 2012/13 financial year to 10 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have been increase from 23 per cent in 2012/13 to 20 per cent in 2013/14.
- Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality strategy to ensure the management of its asset base.

2.3.2 **Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2012/13 financial year 1700 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, one free drain pumping and free waste removal equivalent to 85€ once a week, as well as a discount on their property rates.

2.3.3 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the municipalities bulk water needs are provided directly by Pella Water Board in the form of purified water. The remaining 29 per cent is generated from the Orange river.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

2.4 Overview of budget related-policies

The municipality budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in 2001 and must be reviewed. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed. The 2012/13 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 80 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipalities cash levels.

2.4.2 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.4.4 Budget Policies

The Budget Policies aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipaliteis system of delegations.

2.4.5 Cash Management and Investment Policy

The aim of the policy is to ensure that the municipality surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.6 Tariff Policies

The municipalities tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.4.7 Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2012/13 MTREF with the emphasis on affordability and long-term sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2012/13 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available at the municipality, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipalities finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2012/13 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipalities residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

2.5.3 Credit rating outlook

Table 33 Credit rating outlook

Security class	Currency	Rating	Annual rating 2012/13	Previous Rating
Short term	Rand	Prime -1		Prime -1
Long-term	Rand	Aa3		Aa3
Outlook	Rand	Negative		Negative

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : Aa3
Defined as high-grade. “Aa” rated are judged to be of high quality and are subject to very low credit risk.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

2.5.5 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2013. Year three is an across the board increase of 7 per cent.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2012/13 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 34 Breakdown of the operating revenue over the medium-term

NC067 Khai-Ma - Table A1 Budget Summary										
Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Financial Performance										
Property rates	1 465	1 602	1 790	2 010	2 045	2 045	2 045	2 698	2 860	3 032
Service charges	5 003	4 976	6 845	8 867	8 709	8 709	8 709	11 469	12 672	13 998
Investment revenue	240	244	424	200	300	300	300	200	212	225
Transfers recognised - operational	8 924	10 221	20 871	24 149	26 800	26 800	26 800	28 984	16 667	17 738
Other own revenue	1 365	1 247	886	803	1 363	1 363	1 363	2 145	2 274	2 410
Total Revenue (excluding capital transfers and contributions)	16 996	18 290	30 816	36 030	39 218	39 218	39 218	45 496	34 685	37 402

The following graph is a breakdown of the operational revenue per main category for the 2012/13 financial year.

2

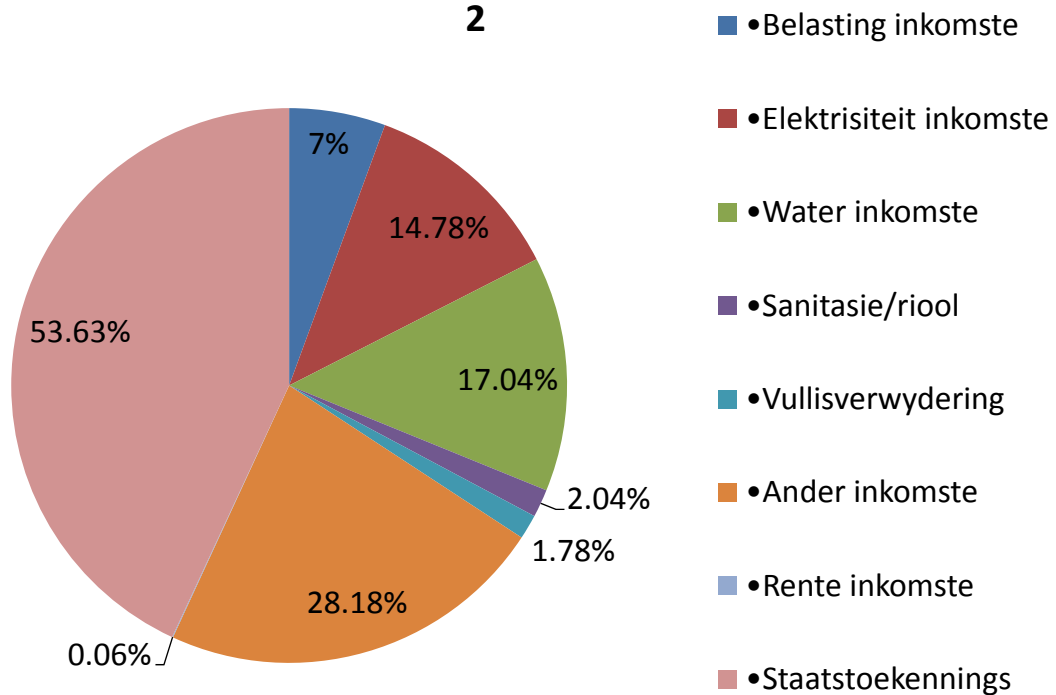


Figure 5 Breakdown of operating revenue over the 2012/13 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 80 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2011/12 MTREF on the different revenue categories are:

Table 35 Proposed tariff increases over the medium-term

Revenue category	2012/13 proposed tariff increase	2013/14 proposed tariff increase	2014/15 proposed tariff increase	2012/13 additional revenue for each 1% tariff increase	2013/14 additional revenue owing to % tariff increases	2014/15 Total Budgeted revenue
	%	%	%	R'000	R'000	R'000
Property rates						
Sanitation						
Solid Waste						
Water						
Electricity						
Total						

The tables below provide detail investment information and investment particulars by maturity.

Table 36 MBRR SA15 – Detail Investment Information

NC067 Khai-Ma - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		3 078	-	5 021	200	200	200	200	200	200
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	3 078	-	5 021	200	200	200	200	200	200
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		3 078	-	5 021	200	200	200	200	200	200

Table 37 MBRR SA16 – Investment particulars by maturity

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2012/13 medium-term capital programme:

Table 38 Sources of capital revenue over the MTREF

NC067 Khai-Ma - Table A9 Asset Management										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	16 693	1 409	9 051	9 293	9 791	9 791	10 133	11 312	11 966
Infrastructure - Road transport		-	478	656	-	-	-	3 450	6 000	6 500
Infrastructure - Electricity		-	1	40	-	-	-	1 000	-	-
Infrastructure - Water		18	323	7 256	5 928	5 928	5 928	-	-	-
Infrastructure - Sanitation		756	95	40	-	46	46	2 731	5 312	5 466
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		773	897	7 993	5 928	5 974	5 974	7 181	11 312	11 966
Community		11	195	295	3 015	3 026	3 026	2 912	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		15 865	-	-	-	-	-	-	-	-
Other assets	6	43	317	764	350	791	791	40	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	300	528	528	-	-	-
Infrastructure - Road transport		-	-	-	300	476	476	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	300	476	476	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	52	52	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	478	656	300	476	476	3 450	6 000	6 500
Infrastructure - Road transport		-	1	40	-	-	-	1 000	-	-
Infrastructure - Electricity		18	323	7 256	5 928	5 928	5 928	-	-	-
Infrastructure - Water		756	95	40	-	46	46	2 731	5 312	5 466
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		773	897	7 993	6 228	6 450	6 450	7 181	11 312	11 966
Community		11	195	295	3 015	3 026	3 026	2 912	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		15 865	-	-	-	-	-	-	-	-
Other assets		43	317	764	350	843	843	40	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	16 693	1 409	9 051	9 593	10 319	10 319	10 133	11 312	11 966

The above table is graphically represented as follows for the 2012/13 financial year.

Figure 6 Sources of capital revenue for the 2011/12 financial year

Borrowing still remains a significant funding source for the capital programme over the medium-term.

All longterm will be redeemed at the end of June 2012.

Table 39 MBRR Table SA 18 - Capital transfers and grant receipts

NC067 Khai-Ma - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		8 399	11 283	13 096	12 961	12 961	12 961	16 419	16 126	17 151
Local Government Equitable Share		5 873	7 683	9 566	10 921	10 921	10 921	12 489	13 476	14 451
Finance Management		1 250	2 750	2 850	1 250	1 250	1 250	1 500	1 750	1 750
Municipal Systems Improvement		735	850	680	790	790	790	800	900	950
Municipal Infrastructure		-	-	-	-	-	-	1 630	-	-
Water Affairs		541	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		1 745	428	14 472	11 188	12 024	12 024	495	541	587
Housing		1 470	123	13 986	10 772	11 593	11 593	-	-	-
Library		275	305	195	416	416	416	495	541	587
Tourism		-	-	14	-	-	-	-	-	-
EPWP		-	-	278	-	-	-	-	-	-
Other transfers/grants [insert description]		-	-	-	-	15	15	-	-	-
District Municipality:		283	495	103	-	1 697	1 697	800	-	-
Namakwa DM		283	495	103	-	1 697	1 697	800	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		45	4	-	-	-	-	20	-	-
Other		45	4	-	-	-	-	20	-	-
		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	10 472	12 210	27 671	24 149	26 682	26 682	17 734	16 667	17 738
Capital Transfers and Grants										
National Government:		3 067	6 849	15 823	8 840	8 840	8 840	10 093	11 312	11 966
Municipal Infrastructure		3 067	6 849	13 150	8 840	8 840	8 840	9 093	11 312	11 966
Financial Management		-	-	150	-	-	-	-	-	-
Municipal Systems Improvement		-	-	70	-	-	-	-	-	-
Land Affairs		-	-	2 453	-	-	-	-	-	-
Integrated National Electrification Programme		-	-	-	-	-	-	1 000	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	257	300	556	556	-	-	-
Housing		-	-	168	-	-	-	-	-	-
Office of the Premier		-	-	-	300	556	556	-	-	-
Library		-	-	89	-	-	-	-	-	-
District Municipality:		-	1 160	2 745	353	562	562	-	-	-
Namakwa DM		-	1 160	2 745	353	562	562	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	3 067	8 009	18 825	9 493	9 958	9 958	10 093	11 312	11 966
TOTAL RECEIPTS OF TRANSFERS & GRANTS		13 539	20 219	46 496	33 642	36 640	36 640	27 827	27 979	29 704

2.6.3 Cash Flow Management

NC067 Khai-Ma - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source																
Property rates		225	225	225	225	225	225	225	225	225	225	225	225	2 698	2 860	3 032
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		389	389	389	389	389	389	389	389	389	389	389	389	4 667	5 150	5 682
Service charges - water revenue		457	457	457	457	457	457	457	457	457	457	457	457	5 483	6 124	6 834
Service charges - sanitation revenue		62	62	62	62	62	62	62	62	62	62	62	62	744	789	834
Service charges - refuse revenue		47	47	47	47	47	47	47	47	47	47	47	47	564	597	633
Service charges - other		1	1	1	1	1	1	1	1	1	1	1	1	11	12	13
Rental of facilities and equipment		8	8	8	8	8	8	8	8	8	8	8	8	100	106	113
Interest earned - external investments		17	17	17	17	17	17	17	17	17	17	17	17	200	212	225
Interest earned - outstanding debtors		59	59	59	59	59	59	59	59	59	59	59	59	712	755	800
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Licences and permits		3	3	3	3	3	3	3	3	3	3	3	3	30	32	34
Agency services		8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Transfers recognised - operational		9 594	1 006	1 006	1 006	5 169	1 006	1 006	5 169	1 006	1 006	1 006	1 006	28 984	16 667	17 738
Other revenue		99	99	99	99	99	99	99	99	99	99	99	99	1 182	1 253	1 329
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		10 970	2 382	2 382	2 382	6 545	2 382	2 382	6 545	2 382	2 382	2 382	2 382	45 496	34 685	37 402
Expenditure By Type																
Employee related costs		963	963	963	963	963	963	963	963	963	963	963	963	11 550	12 128	12 734
Remuneration of councillors		148	148	148	148	148	148	148	148	148	148	148	148	1 774	1 874	1 978
Debt impairment		159	159	159	159	159	159	159	159	159	159	159	159	1 913	1 000	1 000
Depreciation & asset impairment		192	192	192	192	192	192	192	192	192	192	192	192	2 300	2 429	2 565
Finance charges		18	18	18	18	18	18	18	18	18	18	18	18	221	234	247
Bulk purchases		474	474	474	474	474	474	474	474	474	474	474	474	5 687	6 006	6 342
Other materials		96	96	96	96	96	96	96	96	96	96	96	96	1 153	1 218	1 286
Contracted services		1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	21 134	9 695	10 156
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	45 744	34 593	36 320
Surplus/(Deficit)																
		7 158	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	(248)	91	1 083
Transfers recognised - capital		10 093	-	-	-	-	-	-	-	-	-	-	-	10 093	11 312	11 966
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																
		17 251	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	9 845	11 403	13 049
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)																
1		17 251	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	9 845	11 403	13 049

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 40 MBRR Table A7 - Budget cash flow statement

NC067 Khai-Ma - Table A7 Budgeted Cash Flows											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		6 942	10 633	6 875	38 389	38 266	38 266	38 266	13 498	16 022	17 386
Government - operating	1	8 920	10 252	22 911	24 149	26 682	26 682	26 682	28 984	16 667	17 738
Government - capital	1	16 692	1 804	6 301	9 493	9 958	9 958	9 958	10 093	11 312	11 966
Interest		1 131	244	1 041	732	1 113	1 113	1 113	912	967	1 025
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(10 448)	(18 728)	(27 473)	(42 939)	(44 605)	(47 964)	(47 964)	(39 941)	(30 084)	(31 899)
Finance charges		(628)	(361)	(448)	(191)	(7)	(7)	(7)	(221)	(234)	(247)
Transfers and Grants	1	(2 862)	-	-	(13 228)	(14 774)	(14 774)	(14 774)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		19 747	3 843	9 207	16 405	16 632	13 273	13 273	13 325	14 650	15 969
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(16 693)	(1 843)	(9 778)	(9 593)	(10 319)	(10 319)	(10 319)	(10 133)	(11 312)	(11 966)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(16 693)	(1 843)	(9 778)	(9 593)	(10 319)	(10 319)	(10 319)	(10 133)	(11 312)	(11 966)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		6	7	(3)	6	6	6	6	6	5	3
Payments											
Repayment of borrowing		(531)	(560)	(481)	(221)	(221)	(221)	(221)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(525)	(553)	(485)	(215)	(215)	(215)	(215)	6	5	3
NET INCREASE/ (DECREASE) IN CASH HELD		2 529	1 447	(1 055)	6 597	6 098	2 739	2 739	3 198	3 343	4 006
Cash/cash equivalents at the year begin:	2	(7)	2 522	(129)	(645)	(1 184)	(1 184)	(1 184)	1 555	4 753	8 096
Cash/cash equivalents at the year end:	2	2 522	3 969	(1 184)	5 952	4 914	1 555	1 555	4 753	8 096	12 102

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2008/09 and 2014/15.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A deficit would indicate the cash-backed accumulated surplus that was/is available.

Table 41 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

NC067 Khai-Ma - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	2 522	3 969	(1 184)	5 952	4 914	1 555	1 555	4 753	8 096	12 102
Other current investments > 90 days		0	2 524	6 493	0	1 038	200	200	(0)	0	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		2 523	6 493	5 309	5 952	5 952	1 755	1 755	4 753	8 097	12 102
Application of cash and investments											
Unspent conditional transfers		2 751	8 894	6 118	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	214	155	155	155	155	-	-	-
Other working capital requirements	3	2 245	(275)	3 253	(31 539)	(30 743)	(3 480)	(3 480)	3 726	3 827	3 991
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	13	13	13	13	13	13	-
Total Application of cash and investments:		4 995	8 619	9 585	(31 372)	(30 576)	(3 313)	(3 313)	3 739	3 840	3 991
Surplus(shortfall)		(2 473)	(2 126)	(4 276)	37 324	36 528	5 068	5 068	1 015	4 257	8 111

From the above table it can be seen that the cash and investments available total R1 million in the 2012/13 financial year and progressively increase to R4 million by 2013/14, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 42 MBRR SA10 – Funding compliance measurement

NC067 Khai-Ma Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	2 522	3 969	(1 184)	5 952	4 914	1 555	1 555	4 753	8 096	12 102
Cash + investments at the yr end less applications - R'000	18(1)b	2	(2 473)	(2 126)	(4 276)	37 324	36 528	5 068	5 068	1 015	4 257	8 111
Cash year end/monthly employee/supplier payments	18(1)b	3	1.8	2.6	(0.6)	2.3	1.7	0.5	0.5	1.5	3.2	4.6
Surplus/(Deficit) excluding depreciation offsets- R'000	18(1)	4	6 919	(1 572)	9 625	8 711	9 205	9 205	9 205	9 980	11 538	13 184
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(4.3%)	25.3%	20.0%	(7.1%)	(6.0%)	(6.0%)	25.7%	3.6%	3.6%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	88.6%	135.9%	72.2%	328.7%	315.8%	315.8%	315.8%	82.7%	90.0%	89.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.4%	40.3%	18.0%	17.3%	15.6%	15.6%	15.6%	13.4%	6.4%	5.8%
Capital payments % of capital expenditure	18(1)c:19	8	100.0%	130.8%	108.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Gov't legislated/gazetted allocations	18(1)a	10								140.5%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(9.3%)	9.1%	192.4%	1.9%	(73.1%)	0.0%	(71.3%)	0.9%	8.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.4%	1.6%	1.2%	1.7%	1.7%	1.7%	2.2%	2.0%	1.9%	1.8%
Asset renew al % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	3.1%	5.1%	5.1%	0.0%	0.0%	0.0%	0.0%

2.6.5.1 Cash/cash equivalent position

The municipality forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.4 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.5.5 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

2.6.5.6 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

2.6.5.7 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

All longterm laons will be redeemed at the end of 30 June 2012.

2.6.5.8 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.6.5.9 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables.

2.6.5.10 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.11 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. Further details in this regard are contained in Table 59 MBRR SA34b on page 89.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 43 MBRR SA19 - Expenditure on transfers and grant programmes

NC067 Khai-Ma - Supporting Table SA19 Expenditure on transfers and grant programme										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		8 399	11 283	13 096	12 961	13 255	13 255	16 419	16 126	17 151
Local Government Equitable Share		5 873	7 683	9 566	10 921	10 921	10 921	12 489	13 476	14 451
Finance Management		1 250	2 750	2 850	1 250	1 574	1 574	1 500	1 750	1 750
Municipal Systems Improvement		735	850	680	790	760	760	800	900	950
Municipal Infrastructure		–	–	–	–	–	–	1 630	–	–
Water Affairs		541	–	–	–	–	–	–	–	–
Other transfers/grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		1 745	428	14 472	11 188	11 944	11 944	495	541	587
Housing		1 470	123	13 986	10 772	11 593	11 593	–	–	–
Library		275	305	195	416	336	336	495	541	587
Tourism		–	–	14	–	–	–	–	–	–
EPWP		–	–	278	–	–	–	–	–	–
Other transfers/grants [insert description]		–	–	–	–	15	15	–	–	–
District Municipality:		283	495	103	–	1 697	1 697	–	–	–
Namakwa DM		283	495	103	–	1 697	1 697	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		45	4	–	–	–	–	20	–	–
Other		45	4	–	–	–	–	20	–	–
		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants		10 472	12 210	27 671	24 149	26 896	26 896	16 934	16 667	17 738
Capital expenditure of Transfers and Grants										
National Government:		3 067	6 849	15 823	8 840	8 970	8 970	10 093	11 312	11 966
Municipal Infrastructure		3 067	6 849	13 150	8 840	8 840	8 840	9 093	11 312	11 966
Financial Management		–	–	150	–	100	100	–	–	–
Municipal Systems Improvement		–	–	70	–	30	30	–	–	–
Land Affairs		–	–	2 453	–	–	–	–	–	–
Integrated National Electrification Programme		–	–	–	–	–	–	1 000	–	–
Other capital transfers/grants [insert desc]		–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	257	300	556	556	–	–	–
Housing		–	–	168	–	–	–	–	–	–
Office of the Premier		–	–	–	300	556	556	–	–	–
Library		–	–	89	–	–	–	–	–	–
District Municipality:		–	1 160	2 745	353	562	562	–	–	–
Namakwa DM		–	1 160	2 745	353	562	562	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		3 067	8 009	18 825	9 493	10 088	10 088	10 093	11 312	11 966
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		13 539	20 219	46 496	33 642	36 984	36 984	27 027	27 979	29 704

Table 44 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

NC067 Khai-Ma - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	30	-	-	-	-	-	
Current year receipts		8 924	10 252	13 096	12 961	13 159	13 159	16 419	16 126	
Conditions met - transferred to revenue		8 924	10 222	6 296	12 961	13 159	13 159	16 419	16 126	
Conditions still to be met - transferred to liabilities		-	30	6 830	-	-	-	-	-	
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	11 250	-	
Current year receipts		-	-	14 472	11 188	11 944	11 944	495	541	
Conditions met - transferred to revenue		-	-	14 472	11 188	11 944	11 944	11 745	541	
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	
Current year receipts		-	-	103	-	1 697	1 697	800	-	
Conditions met - transferred to revenue		-	-	103	-	1 697	1 697	800	-	
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	
Current year receipts		-	-	-	-	-	-	20	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	20	-	
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	
Total operating transfers and grants revenue		8 924	10 222	20 871	24 149	26 800	26 800	28 984	16 667	
Total operating transfers and grants - CTBM	2	-	30	6 830	-	-	-	-	-	
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	171	171	-	-	
Current year receipts		16 692	1 409	15 823	8 840	8 970	8 970	10 093	11 312	
Conditions met - transferred to revenue		16 692	1 409	7 537	8 840	9 141	9 141	10 093	11 312	
Conditions still to be met - transferred to liabilities		-	-	8 287	-	-	-	-	-	
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	
Current year receipts		-	-	257	300	556	556	-	-	
Conditions met - transferred to revenue		-	-	257	300	556	556	-	-	
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	
Current year receipts		-	-	2 745	353	562	562	-	-	
Conditions met - transferred to revenue		-	-	808	353	562	562	-	-	
Conditions still to be met - transferred to liabilities		-	-	1 937	-	-	-	-	-	
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	
Current year receipts		-	-	-	-	-	-	-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	
Total capital transfers and grants revenue		16 692	1 409	8 601	9 493	10 259	10 259	10 093	11 312	
Total capital transfers and grants - CTBM	2	-	-	10 223	-	-	-	-	-	
TOTAL TRANSFERS AND GRANTS REVENUE		25 616	11 631	29 472	33 642	37 059	37 059	39 077	27 979	
TOTAL TRANSFERS AND GRANTS - CTBM		-	30	17 053	-	-	-	-	-	

2.8 Councillor and employee benefits

Table 45 MBRR SA22 - Summary of councillor and staff benefits

NC067 Khai-Ma - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		874	896	1 089	1 190	1 190	1 190	1 256	1 327	1 401
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		292	311	363	397	397	397	419	442	467
Cellphone Allowance		81	72	86	92	92	92	99	105	110
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	142	-	-	-	-	-	-	-
Sub Total - Councillors		1 247	1 421	1 538	1 679	1 679	1 679	1 774	1 874	1 978
% increase	4		14.0%	8.2%	9.2%	-	-	5.7%	5.6%	5.6%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		833	791	927	1 450	1 450	1 450	1 190	1 298	1 389
Pension and UIF Contributions		76	36	165	153	153	153	63	68	72
Medical Aid Contributions		51	28	141	146	146	146	46	49	53
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	93	134	134	134	106	113	121
Motor Vehicle Allowance	3	347	251	372	269	269	269	397	425	454
Cellphone Allowance	3	17	16	42	36	36	36	33	34	36
Housing Allowances	3	37	15	41	21	21	21	11	12	13
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		1 361	1 137	1 781	2 209	2 209	2 209	1 846	1 998	2 138
% increase	4		(16.5%)	56.6%	24.0%	-	-	(16.5%)	8.3%	7.0%
Other Municipal Staff										
Basic Salaries and Wages		2 517	3 272	3 780	3 409	3 607	3 607	5 418	5 640	5 896
Pension and UIF Contributions		338	335	573	585	(65)	(65)	992	1 040	1 091
Medical Aid Contributions		173	177	583	623	623	623	695	729	765
Overtime		163	14	242	261	521	521	324	340	357
Performance Bonus		-	-	-	-	-	-	417	436	456
Motor Vehicle Allowance	3	71	83	80	-	289	289	90	86	112
Cellphone Allowance	3	-	-	-	-	-	-	26	28	29
Housing Allowances	3	13	1	12	3	32	32	14	14	15
Other benefits and allowances	3	633	748	1 030	1 433	1 471	1 471	1 122	1 178	1 207
Payments in lieu of leave		-	-	-	-	-	-	170	179	187
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		3 908	4 630	6 300	6 313	6 479	6 479	9 268	9 671	10 114
% increase	4		18.5%	36.1%	0.2%	2.6%	-	43.1%	4.3%	4.6%
Total Parent Municipality		6 516	7 188	9 619	10 202	10 367	10 367	12 888	13 543	14 231
			10.3%	33.8%	6.1%	1.6%	-	24.3%	5.1%	5.1%

Table 46 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

NC067 Khai-Ma - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		446 400	-	169 800			616 200
Chief Whip			-	-	-			-
Executive Mayor			-	-	-			-
Deputy Executive Mayor			-	-	-			-
Executive Committee			-	-	-			-
Total for all other councillors			810 000	-	348 000			1 158 000
Total Councillors	8	-	1 256 400	-	517 800			1 774 200
Senior Managers of the Municipality	5							
Municipal Manager (MM)			400 000	4 000	132 000	40 000		576 000
Chief Financial Officer			284 140	100 050	118 320	23 630		526 140
Corporate & Human Resources Manager			290 630	2 906	107 910	24 220		425 666
LED Manager			214 750	2 400	82 840	17 890		317 880
								-
								-

Table 47 MBRR SA24 – Summary of personnel numbers

NC067 Khai-Ma - Supporting Table SA24 Summary of personnel numbers											
Summary of Personnel Numbers		Ref	2010/11			Current Year 2011/12			Budget Year 2012/13		
			Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Number		1,2									
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			7	–	7	7	–	7	7	7	
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	
Municipal employees											
Municipal Manager and Senior Managers	3		5	2	3	5	2	3	4	4	
Other Managers	7		–	–	–	–	–	–	–	–	
Professionals			–	–	–	–	–	–	–	–	
Finance			–	–	–	–	–	–	–	–	
Spatial/town planning			–	–	–	–	–	–	–	–	
Information Technology			–	–	–	–	–	–	–	–	
Roads			–	–	–	–	–	–	–	–	
Electricity			–	–	–	–	–	–	–	–	
Water			–	–	–	–	–	–	–	–	
Sanitation			–	–	–	–	–	–	–	–	
Refuse			–	–	–	–	–	–	–	–	
Other			–	–	–	–	–	–	–	–	
Technicians			18	18	–	18	18	–	31	31	
Finance			–	–	–	–	–	–	–	–	
Spatial/town planning			–	–	–	–	–	–	–	–	
Information Technology			–	–	–	–	–	–	–	–	
Roads			2	2	–	2	2	–	2	2	
Electricity			1	1	–	1	1	–	1	1	
Water			7	7	–	7	7	–	9	9	
Sanitation			5	5	–	5	5	–	9	9	
Refuse			3	3	–	3	3	–	9	9	
Other			–	–	–	–	–	–	1	1	
Clerks (Clerical and administrative)			27	23	4	27	23	4	29	29	
Service and sales workers			–	–	–	–	–	–	–	–	
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	
Craft and related trades			–	–	–	–	–	–	–	–	
Plant and Machine Operators			3	3	–	3	3	–	3	3	
Elementary Occupations			–	–	–	–	–	–	–	–	
TOTAL PERSONNEL NUMBERS			60	46	14	60	46	14	74	74	
% increase						–	–	–	23.3%	60.9%	
Total municipal employees headcount			6	–	–	–	–	–	–	–	
Finance personnel headcount			8	–	–	–	–	–	–	–	
Human Resources personnel headcount			8	–	–	–	–	–	–	–	

2.9 Monthly targets for revenue, expenditure and cash flow

Table 48 MBRR SA25 - Budgeted monthly revenue and expenditure

NC067 Khai-Ma - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Revenue By Source																
Property rates		225	225	225	225	225	225	225	225	225	225	225	225	2 698	2 860	3 032
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		389	389	389	389	389	389	389	389	389	389	389	389	4 667	5 150	5 682
Service charges - water revenue		457	457	457	457	457	457	457	457	457	457	457	457	5 483	6 124	6 834
Service charges - sanitation revenue		62	62	62	62	62	62	62	62	62	62	62	62	744	789	836
Service charges - refuse revenue		47	47	47	47	47	47	47	47	47	47	47	47	564	597	633
Service charges - other		1	1	1	1	1	1	1	1	1	1	1	1	11	12	13
Rental of facilities and equipment		8	8	8	8	8	8	8	8	8	8	8	8	100	106	113
Interest earned - external investments		17	17	17	17	17	17	17	17	17	17	17	17	200	212	225
Interest earned - outstanding debtors		59	59	59	59	59	59	59	59	59	59	59	59	712	755	800
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Licences and permits		3	3	3	3	3	3	3	3	3	3	3	3	30	32	34
Agency services		8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Transfers recognised - operational		9 594	1 006	1 006	1 006	5 169	1 006	1 006	5 169	1 006	1 006	1 006	1 006	28 984	16 667	17 738
Other revenue		99	99	99	99	99	99	99	99	99	99	99	99	1 182	1 253	1 329
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		10 970	2 382	2 382	2 382	6 545	2 382	2 382	6 545	2 382	2 382	2 382	2 382	45 496	34 685	37 402
Expenditure By Type																
Employee related costs		963	963	963	963	963	963	963	963	963	963	963	963	11 550	12 128	12 734
Remuneration of councillors		148	148	148	148	148	148	148	148	148	148	148	148	1 774	1 874	1 978
Debt impairment		159	159	159	159	159	159	159	159	159	159	159	159	1 913	1 000	1 000
Depreciation & asset impairment		192	192	192	192	192	192	192	192	192	192	192	192	2 300	2 429	2 565
Finance charges		18	18	18	18	18	18	18	18	18	18	18	18	221	234	247
Bulk purchases		474	474	474	474	474	474	474	474	474	474	474	474	5 687	6 006	6 342
Other materials		96	96	96	96	96	96	96	96	96	96	96	96	1 153	1 218	1 286
Contracted services		1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	21 134	9 695	10 156
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	45 744	34 593	36 320
Surplus/(Deficit)																
Transfers recognised - capital		7 158	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	(248)	91	1 083
Contributions recognised - capital		10 093	–	–	–	–	–	–	–	–	–	–	–	10 093	11 312	11 966
Contributed assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		17 251	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	9 845	11 403	13 049
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	17 251	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	9 845	11 403	13 049

Table 49 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

NC067 Khai-Ma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote																
Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance		6 721	258	258	258	4 421	258	258	4 421	258	258	258	258	17 885	19 408	20 630
Corporate Services		3 455	47	47	47	47	47	47	47	47	47	47	47	3 973	1 141	1 223
Infrastructure Development		9 948	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	1 138	22 461	25 448	27 516
Economic Development		939	939	939	939	939	939	939	939	939	939	939	939	11 270	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		21 063	2 382	2 382	2 382	6 545	2 382	2 382	6 545	2 382	2 382	2 382	2 382	55 589	45 997	49 368
Expenditure by Vote to be appropriated																
Municipal Manager		304	304	304	304	304	304	304	304	304	304	304	304	3 646	3 842	4 049
Finance		433	433	433	433	433	433	433	433	433	433	433	433	5 201	5 587	5 780
Corporate Services		452	452	452	452	452	452	452	452	452	452	452	452	5 425	5 726	6 040
Infrastructure Development		1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	1 625	19 496	18 676	19 649
Economic Development		998	998	998	998	998	998	998	998	998	998	998	998	11 975	763	802
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	45 744	34 593	36 320
Surplus/(Deficit) before assoc.		17 251	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	9 845	11 403	13 049
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	17 251	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	9 845	11 403	13 049

Table 50 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

NC067 Khai-Ma - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)																
Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Revenue - Standard																
Governance and administration		6 726	263	263	263	4 426	263	263	4 426	263	263	263	263	17 939	19 465	20 691
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Budget and treasury office		6 700	237	237	237	4 400	237	237	4 400	237	237	237	237	17 637	19 145	20 351
Corporate services		25	25	25	25	25	25	25	25	25	25	25	25	302	320	339
Community and public safety		4 375	968	968	968	968	968	968	968	968	968	968	968	15 024	929	999
Community and social services		3 438	30	30	30	30	30	30	30	30	30	30	30	3 769	924	993
Sport and recreation		0	0	0	0	0	0	0	0	0	0	0	0	5	5	6
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		938	938	938	938	938	938	938	938	938	938	938	938	11 250	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		3 504	54	54	54	54	54	54	54	54	54	54	54	4 103	6 671	7 211
Planning and development		2	2	2	2	2	2	2	2	2	2	2	2	20	–	–
Road transport		3 503	53	53	53	53	53	53	53	53	53	53	53	4 083	6 671	7 211
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		6 457	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	1 097	18 523	18 930	20 467
Electricity		1 391	391	391	391	391	391	391	391	391	391	391	391	5 695	5 180	5 713
Water		623	493	493	493	493	493	493	493	493	493	493	493	6 043	6 580	7 317
Waste water management		3 576	95	95	95	95	95	95	95	95	95	95	95	4 620	6 520	6 746
Waste management		868	118	118	118	118	118	118	118	118	118	118	118	2 165	651	691
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Standard		21 063	2 382	2 382	2 382	6 545	2 382	2 382	6 545	2 382	2 382	2 382	2 382	55 589	45 997	49 368
Expenditure - Standard																
Governance and administration		1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	12 512	13 280	13 877
Executive and council		304	304	304	304	304	304	304	304	304	304	304	304	3 646	3 842	4 049
Budget and treasury office		400	400	400	400	400	400	400	400	400	400	400	400	4 802	5 165	5 336
Corporate services		339	339	339	339	339	339	339	339	339	339	339	339	4 064	4 273	4 492
Community and public safety		1 106	1 106	1 106	1 106	1 106	1 106	1 106	1 106	1 106	1 106	1 106	1 106	13 271	2 149	2 282
Community and social services		125	125	125	125	125	125	125	125	125	125	125	125	1 497	1 596	1 699
Sport and recreation		34	34	34	34	34	34	34	34	34	34	34	34	403	426	449
Public safety		10	10	10	10	10	10	10	10	10	10	10	10	121	127	134
Housing		938	938	938	938	938	938	938	938	938	938	938	938	11 250	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		136	136	136	136	136	136	136	136	136	136	136	136	1 629	1 715	1 805
Planning and development		44	44	44	44	44	44	44	44	44	44	44	44	525	552	580
Road transport		92	92	92	92	92	92	92	92	92	92	92	92	1 104	1 163	1 225
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	1 511	18 132	17 238	18 134
Electricity		382	382	382	382	382	382	382	382	382	382	382	382	4 587	4 936	5 199
Water		518	518	518	518	518	518	518	518	518	518	518	518	6 216	5 738	6 039
Waste water management		206	206	206	206	206	206	206	206	206	206	206	206	2 466	2 481	2 602
Waste management		405	405	405	405	405	405	405	405	405	405	405	405	4 864	4 084	4 294
Other		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Total Expenditure - Standard		3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	3 812	45 744	34 593	36 320
Surplus/(Deficit) before assoc.		17 251	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	9 845	11 403	13 049
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	17 251	(1 430)	(1 430)	(1 430)	2 733	(1 430)	(1 430)	2 733	(1 430)	(1 430)	(1 430)	(1 430)	9 845	11 403	13 049

Table 51 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

NC067 Khai-Ma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Multi-year expenditure to be appropriated	1															
Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Development		-	-	-	-	-	-	-	-	-	-	-	4 450	4 450	6 000	6 500
Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	4 450	4 450	6 000	6 500
Single-year expenditure to be appropriated																
Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	40	40	-	-
Finance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Services		485	1 699	728	-	-	-	-	-	-	-	-	-	2 912	-	-
Infrastructure Development		-	-	-	-	-	-	-	-	-	-	-	2 731	2 731	5 312	5 466
Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	485	1 699	728	-	-	-	-	-	-	-	-	2 771	5 683	5 312	5 466
Total Capital Expenditure	2	485	1 699	728	-	-	-	-	-	-	-	-	7 221	10 133	11 312	11 966

Table 52 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NC067 Khai-Ma - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)																
Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand																
Capital Expenditure - Standard	1															
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	40	40	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	40	40	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		485	1 699	728	-	-	-	-	-	-	-	-	-	2 912	-	-
Community and social services		485	1 699	728	-	-	-	-	-	-	-	-	-	2 912	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	3 450	3 450	6 000	6 500
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	3 450	3 450	6 000	6 500
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-	-	-	3 731	3 731	5 312	5 466
Electricity		-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	2 731	2 731	5 312	5 466
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	485	1 699	728	-	-	-	-	-	-	-	-	7 221	10 133	11 312	11 966

Table 53 MBRR SA30 - Budgeted monthly cash flow

NC067 Khai-Ma - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source													1		
Property rates	225	225	225	225	225	225	225	225	225	225	225	225	2 698	2 860	3 032
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	301	301	301	301	301	301	301	301	301	301	301	301	3 616	4 635	5 055
Service charges - water revenue	369	369	369	369	369	369	369	369	369	369	369	369	4 432	5 609	6 207
Service charges - sanitation revenue	62	62	62	62	62	62	62	62	62	62	62	62	744	789	836
Service charges - refuse revenue	47	47	47	47	47	47	47	47	47	47	47	47	564	597	633
Service charges - other	1	1	1	1	1	1	1	1	1	1	1	1	11	12	13
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	100	106	113
Interest earned - external investments	17	17	17	17	17	17	17	17	17	17	17	17	200	212	225
Interest earned - outstanding debtors	59	59	59	59	59	59	59	59	59	59	59	59	712	755	800
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	2	2	2	2	2	2	2	2	2	2	2	2	20	21	22
Licences and permits	3	3	3	3	3	3	3	3	3	3	3	3	30	32	34
Agency services	8	8	8	8	8	8	8	8	8	8	8	8	100	106	112
Transfer receipts - operational	9 594	1 006	1 006	1 006	5 169	1 006	1 006	5 169	1 006	1 006	1 006	1 006	28 984	16 667	17 738
Other revenue	99	99	99	99	99	99	99	99	99	99	99	99	1 182	1 253	1 329
Cash Receipts by Source	10 795	2 207	2 207	2 207	6 370	2 207	2 207	6 370	2 207	2 207	2 207	2 207	43 394	33 656	36 148
Other Cash Flows by Source															
Transfer receipts - capital	10 093	-	-	-	-	-	-	-	-	-	-	-	10 093	11 312	11 966
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	6	6	5	3
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	20 888	2 207	2 207	2 207	6 370	2 207	2 207	6 370	2 207	2 207	2 207	2 213	53 494	44 973	48 117
Cash Payments by Type															
Employee related costs	963	963	963	963	963	963	963	963	963	963	963	963	11 550	12 128	12 734
Remuneration of councillors	148	148	148	148	148	148	148	148	148	148	148	148	1 774	1 874	1 978
Finance charges	18	18	18	18	18	18	18	18	18	18	18	18	221	234	247
Bulk purchases - Electricity	351	351	351	351	351	351	351	351	351	351	351	351	4 209	4 211	4 446
Bulk purchases - Water & Sewer	142	142	142	142	142	142	142	142	142	142	142	142	1 700	1 795	1 896
Other materials	96	96	96	96	96	96	96	96	96	96	96	96	1 153	1 218	1 286
Contracted services	1	1	1	1	1	1	1	1	1	1	1	1	10	11	11
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	1 761	171	19 544	8 848	9 547
Cash Payments by Type	3 479	3 479	3 479	3 479	3 479	3 479	3 479	3 479	3 479	3 479	3 479	1 889	40 163	30 318	32 146
Other Cash Flows/Payments by Type															
Capital assets	485	1 699	728	-	-	-	-	-	-	-	-	7 221	10 133	11 312	11 966
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flow s/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	3 965	5 178	4 207	3 479	3 479	3 479	3 479	3 479	3 479	3 479	3 479	9 110	50 296	41 630	44 112
NET INCREASE/(DECREASE) IN CASH HELD	16 923	(2 972)	(2 001)	(1 273)	2 890	(1 273)	(1 273)	2 890	(1 273)	(1 273)	(1 273)	(6 897)	3 198	3 343	4 006
Cash/cash equivalents at the month/year begin:	1 555	18 478	15 506	13 506	12 233	15 123	13 851	12 578	15 468	14 195	12 923	11 650	1 555	4 753	8 096
Cash/cash equivalents at the month/year end:	18 478	15 506	13 506	12 233	15 123	13 851	12 578	15 468	14 195	12 923	11 650	4 753	4 753	8 096	12 102

2.10 Annual budgets and SDBIPs – internal departments

2.10.1 Water Services Department –

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

Table 54 Water Services Department - operating revenue by source, expenditure by type and total capital expenditure

NC067 Khai-Ma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source											
Property rates	2	1 465	1 602	1 790	2 010	2 045	2 045	2 045	2 698	2 860	3 032
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	2 336	2 905	3 341	4 013	3 983	3 983	3 983	4 667	5 150	5 682
Service charges - water revenue	2	1 815	1 112	1 354	3 717	3 717	3 717	3 717	5 483	6 124	6 834
Service charges - sanitation revenue	2	503	576	607	606	555	555	555	744	789	836
Service charges - refuse revenue	2	331	377	422	520	442	442	442	564	597	633
Service charges - other		17	6	1 121	11	11	11	11	11	12	13
Rental of facilities and equipment		94	113	118	105	98	98	98	100	106	113
Interest earned - external investments		240	244	424	200	300	300	300	200	212	225
Interest earned - outstanding debtors		891	756	617	532	813	813	813	712	755	800
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		64	25	21	40	20	20	20	20	21	22
Licences and permits		15	16	24	16	30	30	30	30	32	34
Agency services		107	104	105	100	100	100	100	100	106	112
Transfers recognised - operational		8 924	10 221	20 871	24 149	26 800	26 800	26 800	28 984	16 667	17 738
Other revenue	2	195	233	–	10	303	303	303	1 182	1 253	1 329
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		16 996	18 290	30 816	36 030	39 218	39 218	39 218	45 496	34 685	37 402
Expenditure By Type											
Employee related costs	2	5 270	5 794	6 245	8 523	8 689	8 689	8 689	11 550	12 128	12 734
Remuneration of councillors		1 246	1 421	1 399	1 679	1 698	1 698	1 698	1 774	1 874	1 978
Debt impairment	3	29	2 696	1 575	1 896	1 695	1 695	1 695	1 913	1 000	1 000
Depreciation & asset impairment	2	1 680	1 440	1 769	1 456	1 841	1 841	1 841	2 300	2 429	2 565
Finance charges		628	679	899	191	375	375	375	221	234	247
Bulk purchases	2	2 571	3 385	4 003	5 360	5 220	5 220	5 220	5 687	6 006	6 342
Other materials	8	637	725	1 015	969	1 035	1 035	1 035	1 153	1 218	1 286
Contracted services		185	156	210	5	170	170	170	10	11	11
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	8 533	5 575	12 778	16 914	19 732	19 732	19 732	21 134	9 695	10 156
Loss on disposal of PPE		6 171	0	34	–	–	–	–	–	–	–
Total Expenditure		26 951	21 872	29 927	36 993	40 455	40 455	40 455	45 744	34 593	36 320
Surplus/(Deficit)		(9 954)	(3 582)	889	(963)	(1 237)	(1 237)	(1 237)	(248)	91	1 083
Transfers recognised - capital		16 692	1 834	8 601	9 493	10 261	10 261	10 261	10 093	11 312	11 966
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		6 738	(1 748)	9 490	8 530	9 024	9 024	9 024	9 845	11 403	13 049

Table 55 Water Services Department – Performance objectives and indicators

The Infrastructure Manager is currently not appointed. The reduction of distribution losses is considered a priority and hence the departmental objectives and targets. In relation to this target, past performance has been irregular with a total distribution loss of 22 per cent in 2011/2012,

Note: Municipalities would be required to undertake the aforementioned for each department/vote within the municipality.

2.11 Contracts having future budgetary implications

In terms of the municipalities Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following three tables present details of the municipalities capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 56 MBRR SA 34a - Capital expenditure on new assets by asset class

NC067 Khai-Ma - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		773	897	7 993	5 928	5 974	5 974	7 181	11 312	11 966
Infrastructure - Road transport		-	478	656	-	-	-	3 450	6 000	6 500
Roads, Pavements & Bridges		-	478	656	-	-	-	3 450	6 000	6 500
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	1	40	-	-	-	1 000	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	1	40	-	-	-	1 000	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		18	323	7 256	5 928	5 928	5 928	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		18	323	7 256	5 928	5 928	5 928	-	-	-
Infrastructure - Sanitation		756	95	40	-	46	46	2 731	5 312	5 466
Reticulation		756	95	40	-	46	46	2 731	5 312	5 466
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		11	195	295	3 015	3 026	3 026	2 912	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	2 962	2 912	2 912	2 912	-	-
Libraries		11	-	85	-	80	80	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	53	34	34	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	195	209	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		15 865	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		15 865	-	-	-	-	-	-	-	-
Other assets		43	317	764	350	791	791	40	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	59	-	-	-	-	-	-	-
Plant & equipment		-	13	98	-	-	-	-	-	-
Computers - hardware/equipment		10	201	173	-	100	100	-	-	-
Furniture and other office equipment		0	44	171	50	160	160	40	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		33	-	218	300	482	482	-	-	-
Other Land		-	-	103	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	49	49	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - softw are & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	16 693	1 409	9 051	9 293	9 791	9 791	10 133	11 312	11 966
Specialised vehicles		-	59	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	59	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

NC067 Khai-Ma - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand	1										
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	773	897	7 993	5 928	5 974	5 974	7 181	11 312	11 966	
Infrastructure - Road transport		-	478	656	-	-	-	3 450	6 000	6 500	
Roads, Pavements & Bridges		-	478	656	-	-	-	3 450	6 000	6 500	
Storm water		-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		-	1	40	-	-	-	1 000	-	-	
Generation		-	-	-	-	-	-	-	-	-	
Transmission & Reticulation		-	1	40	-	-	-	1 000	-	-	
Street Lighting		-	-	-	-	-	-	-	-	-	
Infrastructure - Water		18	323	7 256	5 928	5 928	5 928	-	-	-	
Dams & Reservoirs		-	-	-	-	-	-	-	-	-	
Water purification		-	-	-	-	-	-	-	-	-	
Reticulation		18	323	7 256	5 928	5 928	5 928	-	-	-	
Infrastructure - Sanitation		756	95	40	-	46	46	2 731	5 312	5 466	
Reticulation		756	95	40	-	46	46	2 731	5 312	5 466	
Sewerage purification		-	-	-	-	-	-	-	-	-	
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Waste Management		-	-	-	-	-	-	-	-	-	
Transportation		-	-	-	-	-	-	-	-	-	
Gas		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Community		3	11	195	295	3 015	3 026	3 026	2 912	-	-
Parks & gardens		7	-	-	-	-	-	-	-	-	-
Sportsfields & stadia			-	-	-	-	-	-	-	-	-
Swimming pools			-	-	-	-	-	-	-	-	-
Community halls			-	-	-	2 962	2 912	2 912	2 912	-	-
Libraries			11	-	85	-	80	80	-	-	-
Recreational facilities			-	-	-	-	-	-	-	-	-
Fire, safety & emergency			-	-	-	53	34	34	-	-	-
Security and policing			-	-	-	-	-	-	-	-	-
Buses			-	-	-	-	-	-	-	-	-
Clinics			-	195	209	-	-	-	-	-	-
Museums & Art Galleries			-	-	-	-	-	-	-	-	-
Cemeteries			-	-	-	-	-	-	-	-	-
Social rental housing	-		-	-	-	-	-	-	-	-	
Other	-		-	-	-	-	-	-	-	-	
Heritage assets	9		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Investment properties	10	15 865	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		15 865	-	-	-	-	-	-	-	-	
Other assets	10	43	317	764	350	791	791	40	-	-	
General vehicles		-	-	-	-	-	-	-	-	-	
Specialised vehicles		-	59	-	-	-	-	-	-	-	
Plant & equipment		-	13	98	-	-	-	-	-	-	
Computers - hardware/equipment		10	201	173	-	100	100	-	-	-	
Furniture and other office equipment		0	44	171	50	160	160	40	-	-	
Abattoirs		-	-	-	-	-	-	-	-	-	
Markets		-	-	-	-	-	-	-	-	-	
Civic Land and Buildings		-	-	-	-	-	-	-	-	-	
Other Buildings		33	-	218	300	482	482	-	-	-	
Other Land		-	-	103	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	49	49	-	-	-	
Agricultural assets		10	-	-	-	-	-	-	-	-	-
List sub-class			-	-	-	-	-	-	-	-	-
	-		-	-	-	-	-	-	-	-	
Biological assets	10	-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Intangibles	10	-	-	-	-	-	-	-	-	-	
Computers - software & programming		-	-	-	-	-	-	-	-	-	
Other (list sub-class)		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	1	16 693	1 409	9 051	9 293	9 791	9 791	10 133	11 312	11 966	
Specialised vehicles	10	-	59	-	-	-	-	-	-	-	
Refuse		-	-	-	-	-	-	-	-	-	
Fire		-	59	-	-	-	-	-	-	-	
Conservancy		-	-	-	-	-	-	-	-	-	
Ambulances		-	-	-	-	-	-	-	-	-	

References

March 2011

72

Table 57 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

NC067 Khai-Ma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	300	476	476	-	-	-
Infrastructure - Road transport		-	-	-	300	476	476	-	-	-
Roads, Pavements & Bridges		-	-	-	300	476	476	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	52	52	-	-	-
General vehicles		-	-	-	-	52	52	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	1	-	-	-	300	528	528	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	3.1%	5.1%	5.1%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	20.6%	28.7%	28.7%	0.0%	0.0%	0.0%

NC067 Khai-Ma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure	2	-	-	-	300	476	476	-	-	-
Infrastructure - Road transport		-	-	-	300	476	476	-	-	-
Roads, Pavements & Bridges		-	-	-	300	476	476	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		7	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Heritage assets	9	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	
Housing development	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Other assets	10	-	-	-	-	52	52	-	-	-
General vehicles	-	-	-	-	-	52	52	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	1	-	-	-	300	528	528	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-

Table 58 MBRR SA34c - Repairs and maintenance expenditure by asset class

NC067 Khai-Ma - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		461	645	644	1 080	1 071	1 071	754	796	841
Infrastructure - Road transport		-	-	-	726	726	726	173	183	193
<i>Roads, Pavements & Bridges</i>		-	-	-	726	726	726	173	183	193
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		392	527	509	188	179	179	150	158	167
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>		392	527	509	188	179	179	150	158	167
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		54	90	103	117	117	117	400	422	446
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		54	90	103	117	117	117	400	422	446
Infrastructure - Sanitation		-	-	-	-	-	-	16	17	18
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	16	17	18
Infrastructure - Other		15	29	32	49	49	49	15	16	17
<i>Waste Management</i>		15	29	32	49	49	49	15	16	17
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-	-	-
Community		116	4	30	30	30	30	46	49	51
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		116	4	30	30	30	30	37	39	41
Libraries		-	-	-	-	-	-	9	10	10
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics	7	-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		59	76	66	85	85	85	770	813	859
General vehicles		-	-	-	-	-	-	410	433	457
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		59	76	66	85	85	85	10	11	11
Computers - hardware/equipment		-	-	-	-	-	-	65	69	72
Furniture and other office equipment		-	-	-	-	-	-	60	64	67
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	225	238	251
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (<i>list sub-class</i>)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	637	725	740	1 195	1 186	1 186	1 570	1 658	1 751
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
R&M as a % of PPE		1.4%	1.6%	1.2%	1.7%	1.7%	1.7%	2.0%	1.9%	1.8%
R&M as % Operating Expenditure		2.4%	3.3%	2.5%	3.2%	2.9%	2.9%	3.4%	4.8%	4.8%

Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
<i>R&M as a % of PPE</i>		1.4%	1.6%	1.2%	1.7%	1.7%	1.7%	2.0%	1.9%	1.8%
<i>R&M as % Operating Expenditure</i>		2.4%	3.3%	2.5%	3.2%	2.9%	2.9%	3.4%	4.8%	4.8%

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		461	645	644	1 080	1 071	1 071	644	680	718
Infrastructure - Road transport		-	-	-	726	726	726	63	67	70
Roads, Pavements & Bridges		-	-	-	726	726	726	63	67	70
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		392	527	509	188	179	179	150	158	167
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		392	527	509	188	179	179	150	158	167
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		54	90	103	117	117	117	400	422	446
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		54	90	103	117	117	117	400	422	446
Infrastructure - Sanitation		-	-	-	-	-	-	16	17	18
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	16	17	18
Infrastructure - Other		15	29	32	49	49	49	15	16	17
Waste Management		15	29	32	49	49	49	15	16	17
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		116	4	30	30	30	30	46	49	51
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		116	4	30	30	30	30	37	39	41
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	9	10	10
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		59	76	66	85	85	85	620	655	692
General vehicles		-	-	-	-	-	-	410	433	457
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		59	76	66	85	85	85	10	11	11
Computers - hardware/equipment		-	-	-	-	-	-	65	69	72
Furniture and other office equipment		-	-	-	-	-	-	60	64	67
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	75	79	84
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-</					

References

Table 59 MBRR SA35 - Future financial implications of the capital budget

NC067 Khai-Ma - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
R thousand								
<u>Capital expenditure</u>	1							
Municipal Manager		40	-	-				
Finance		-	-	-				
Corporate Services		2 912	-	-				
Infrastructure Development		7 181	11 312	11 966				
Economic Development		-	-	-				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		10 133	11 312	11 966	-	-	-	-
<u>Future operational costs by vote</u>	2							
Municipal Manager								
Finance								
Corporate Services								
Infrastructure Development								
Economic Development								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
<u>Future revenue by source</u>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		10 133	11 312	11 966	-	-	-	-
<i>References</i>								

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

NC067 Khai-Ma - Supporting Table SA36 Detailed capital budget																
Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4			2	6	3	3	5		Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>																
Municipal Manager		Office Equipment			Yes	Other Assets	Furniture and Office Equipment			171	160	40	-	-		New
Municipal Manager		Office Equipment			Yes	Other Assets	Computer hardware/equipment			173	149	-	-	-		New
Municipal Manager		Buildings			Yes	Other Assets	Other Buildings			218	-	-	-	-		New
Municipal Manager		Land			Yes	Other Assets	Other Land			103	-	-	-	-		New
Infrastructure Development		Equipment			Yes	Other Assets	Plant & equipment			98	-	-	-	-		New
Infrastructure Development		Fire Fight Equipment			Yes	Community Assets	Fire, safety and emergency			-	34	-	-	-		New
Infrastructure Development		Bulk Water Supply			Yes	Infrastructure Water	Reticulation			-	5 928	-	-	-		New
Corporate Services		Office Buildings			Yes	Community Assets	Community Halls			294	34	1 257	-	-		New
Corporate Services		Office Buildings			Yes	Community Assets	Community Halls			-	3 492	1 656	-	-		New
Infrastructure Development		Resurface Roads			Yes	Infrastructure - Road Transport	Roads, Pavements & Bridges			-	476	-	-	-		New
Infrastructure Development		Sewerage Pumps			Yes	Infrastructure Sanitation	Reticulation			40	46	-	-	-		New
Infrastructure Development		Sewerage System			Yes	Infrastructure - Sanitation	Reticulation			-	-	2 731	5 312	5 466		New
Infrastructure Development		Upgrading of Electricity Network			Yes	Infrastructure - Electricity	Transmission & Reticulation			40	-	1 000	-	-		New
Infrastructure Development		Roads and Storm Water			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges			7 914	-	3 450	6 000	6 500		New
Infrastructure Development		Water Network			Yes	Infrastructure - Water	Reticulation									
Parent Capital expenditure	1											10 133	11 312	11 966		

Table 60 MBRR SA37 - Projects delayed from previous financial year

NC067 Khai-Ma - Supporting Table SA37 Projects delayed from previous financial year/s												
Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class	Asset Sub-Class	GPS co-ordinates	Previous target year to complete	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1,2			3	3	4	Year	Original Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>												
				Examples	Examples							
Corporate Services		Office Buildings		Community Assets	Community Halls			1 257	1 257	1 257		
Corporate Services		Office Buildings		Community Assets	Community Halls			1 656	1 656	1 656		
Entities:												

2.3 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance of the municipality.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
The Namakwa District Municipality established a Audit Committee. This committee is established to service three municipalities in the Namakwa region.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2012/13 MTREF in May 2012 directly aligned and informed by the 2012/13 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 1197 of 28 May 2008. The ratios as prescribed in the Regulations have been complied with.

2.13 Other supporting documents

Table 61 MBRR Table SA1 - Supporting detail to budgeted financial performance

[illegible]

NC067 Khai-Ma - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and de

Description	Ref	Municipal Manager	Finance	Corporate Services	Infrastructur e Development	Economic Development	Total
R thousand	1						
Revenue By Source							
Property rates		-	2 698	-	-	-	2 698
Property rates - penalties & collection charges		-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	4 667	-	4 667
Service charges - water revenue		-	-	-	5 483	-	5 483
Service charges - sanitation revenue		-	-	-	744	-	744
Service charges - refuse revenue		-	-	-	564	-	564
Service charges - other		-	-	5	6	-	11
Rental of facilities and equipment		-	95	-	5	-	100
Interest earned - external investments		-	-	200	-	-	200
Interest earned - outstanding debtors		-	150	-	562	-	712
Dividends received		-	-	-	-	-	-
Fines		-	20	-	-	-	20
Licences and permits		-	30	-	-	-	30
Agency services		-	100	-	-	-	100
Other revenue		-	2	361	819	-	1 182
Transfers recognised - operational		-	14 789	495	2 430	11 270	28 984
Gains on disposal of PPE		-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	17 885	1 061	15 280	11 270	45 496
Expenditure By Type							
Employee related costs		1 342	1 709	3 559	4 388	553	11 550
Remuneration of councillors		1 774	-	-	-	-	1 774
Debt impairment		-	300	-	1 613	-	1 913
Depreciation & asset impairment		230	1	541	1 527	-	2 300
Finance charges		-	15	-	206	-	221
Bulk purchases		-	380	-	5 307	-	5 687
Other materials		-	6	145	1 003	-	1 153
Contracted services		-	-	10	-	-	10
Transfers and grants		-	-	-	-	-	-
Other expenditure		300	2 790	1 170	5 451	11 422	21 134
Loss on disposal of PPE		-	-	-	-	-	-
Total Expenditure		3 646	5 201	5 425	19 496	11 975	45 744
Surplus/(Deficit)		(3 646)	12 683	(4 364)	(4 216)	(705)	(248)
Transfers recognised - capital		-	-	2 912	7 181	-	10 093
Contributions recognised - capital		-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(3 646)	12 683	(1 452)	2 965	(705)	9 845
March 2011							

Table 62 MBRR Table SA3 – Supporting detail to Statement of Financial Position

NC067 Khai-Ma - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousand												
ASSETS												
Call investment deposits	2											
Call deposits < 90 days		3 078	–	5 021	200	200	200	200	200	200	200	
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–	
Total Call investment deposits		3 078	–	5 021	200	200	200	200	200	200	200	
Consumer debtors												
Consumer debtors	2	9 305	5 786	7 150	17 760	17 760	9 760	9 760	11 857	12 999	14 253	
Less: Provision for debt impairment		(6 105)	(3 652)	(5 223)	(7 119)	(6 918)	(6 918)	(6 918)	(8 831)	(9 831)	(10 831)	
Total Consumer debtors		3 200	2 134	1 927	10 641	10 843	2 843	2 843	3 027	3 169	3 422	
Debt impairment provision												
Balance at the beginning of the year		171	6 105	6 495	5 223	5 223	5 223	5 223	6 918	8 831	9 831	
Contributions to the provision		5 934	–	1 570	1 896	1 695	1 695	1 695	1 913	1 000	1 000	
Bad debts written off		–	(2 452)	(2 842)	–	–	–	–	–	–	–	
Balance at end of year		6 105	3 652	5 223	7 119	6 918	6 918	6 918	8 831	9 831	10 831	
Property, plant and equipment (PPE)												
PPE at cost/valuation (excl. finance leases)	3	59 419	60 592	75 206	83 993	84 719	85 525	85 525	95 658	106 970	118 936	
Leases recognised as PPE		114	114	–	–	–	–	–	–	–	–	
Less: Accumulated depreciation		13 795	14 832	12 261	13 717	14 102	14 102	14 102	16 402	18 831	21 396	
Total Property, plant and equipment (PPE)	2	45 739	45 874	62 945	70 277	70 617	71 423	71 423	79 256	88 139	97 540	
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–	
Current portion of long-term liabilities		61	120	260	–	–	–	–	–	–	–	
Total Current liabilities - Borrowing		61	120	260	–	–	–	–	–	–	–	
Trade and other payables												
Trade and other creditors	2	5 538	4 303	5 907	3 788	3 836	5 836	5 836	6 324	6 678	7 052	
Unspent conditional transfers		2 751	8 894	6 118	–	–	–	–	–	–	–	
VAT		–	–	–	155	155	155	155	88	145	–	
Total Trade and other payables		8 288	13 197	12 025	3 943	3 990	5 990	5 990	6 412	6 823	7 052	
Non current liabilities - Borrowing												
Borrowing	4	354	234	74	–	–	–	–	–	–	–	
Finance leases (including PPP asset element)		9	9	–	–	–	–	–	–	–	–	
Total Non current liabilities - Borrowing		363	243	74	–	–	–	–	–	–	–	
Provisions - non-current												
Retirement benefits		1 346	2 310	2 969	2 759	2 759	2 759	2 759	3 336	3 623	3 840	
List other major provision items		–	–	–	–	–	–	–	–	–	–	
Refuse landfill site rehabilitation		2 750	2 989	3 170	3 360	3 360	3 360	3 360	3 561	3 775	4 001	
Other		–	–	–	–	–	–	–	–	–	–	
Total Provisions - non-current		4 096	5 299	6 138	6 119	6 119	6 119	6 119	6 897	7 398	7 842	
CHANGES IN NET ASSETS												
Accumulated Surplus/(Deficit)												
Accumulated Surplus/(Deficit) - opening balance	1	34 581	40 080	33 560	65 298	65 298	52 214	52 214	61 419	71 398	82 936	
GRAP adjustments		(5 769)	(4 947)	9 029	–	–	–	–	–	–	–	
Restated balance		28 812	35 133	42 589	65 298	65 298	52 214	52 214	61 419	71 398	82 936	
Surplus/(Deficit)		6 738	(1 748)	9 490	8 530	9 024	9 024	9 024	9 845	11 403	13 049	
Appropriations to Reserves		4 353	(1)	(1)	–	–	–	–	(1)	(1)	(1)	
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–	
Depreciation offsets		181	176	135	181	181	181	181	135	135	135	
Other adjustments		(4)	–	–	–	–	–	–	–	–	–	
Accumulated Surplus/(Deficit)			40 080	33 560	52 214	74 009	74 503	61 419	61 419	71 398	82 936	96 119
Reserves												
Housing Development Fund			13	13	14	13	13	13	13	14	15	16
Capital replacement			–	–	–	–	–	–	–	–	–	–
Self-insurance	–		–	–	–	–	–	–	–	–	–	
Other reserves	–		–	–	–	–	–	–	–	–	–	
Revaluation	–		4 177	4 069	3 809	3 809	3 888	3 888	3 753	3 617	3 482	
Total Reserves	2	13	4 190	4 083	3 822	3 822	3 901	3 901	3 767	3 632	3 498	
TOTAL COMMUNITY WEALTH/EQUITY	2	40 093	37 751	56 297	77 830	78 324	65 320	65 320	75 165	86 568	99 617	
Total capital expenditure includes expenditure on nationally significant priorities:												
Provision of basic services		–	–	–	–	–	–	–	–	–	–	
		–	–	–	–	–	–	–	–	–	–	
		–	–	–	–	–	–	–	–	–	–	

Table 63 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

NC067 Khai-Ma - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						13	13	13	13	14	14	
Females aged 5 - 14						-	-	-	-	-	-	
Males aged 5 - 14						-	-	-	-	-	-	
Females aged 15 - 34						6	6	6	6	6	6	
Males aged 15 - 34						7	7	7	7	7	7	
Unemployment						1	1	1	1	1	1	
Monthly household income (no. of households)	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area						13	13	13	13	14	14	
Number of poor people in municipal area						6	6	6	7	7	7	
Number of households in municipal area						2	2	2	2	2	2	
Number of poor households in municipal area						1	1	2	2	2	2	
Definition of poor household (R per month)						1 600	1 920	2 010	2 280	2 348	2 395	
Housing statistics												
Formal	3					427	470	473	487	502	517	
Informal						2 528	2 604	2 682	2 762	2 845	2 930	
Total number of households			-	-	-	2 955	3 074	3 155	3 249	3 347	3 447	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6					115.0%	6.6%	5.5%	5.7%	5.9%	5.3%	4.9%
Interest rate - borrowing						10.0%	10.5%	10.5%	10.5%	10.5%	10.5%	
Interest rate - investment						10.0%	8.0%	8.0%	6.0%	6.0%	6.0%	
Remuneration increases						11.0%	7.0%	7.0%	7.0%	5.0%	5.0%	
Consumption growth (electricity)						1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	
Consumption growth (water)						12.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Collection rates												
Property tax/service charges	7					80.0%	97.0%	100.0%	100.0%	100.0%	100.0%	
Rental of facilities & equipment						100.0%	100.0%	80.0%	80.0%	80.0%	80.0%	
Interest - external investments						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Interest - debtors						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Revenue from agency services						100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

Table 64 MBRR SA32 – List of external mechanisms

NC067 Khai-Ma - Supporting Table SA32 List of external mechanisms					
External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
PELLA WATER BOARD PAYDAY NASHUA BUSINESS CONNEXIONS	Yrs Yrs Yrs Yrs	ONGOING ONGOING 5 ONGOING	WATER MAINTENANCE AGREEMENT PHOTO COPIERS MAINTENANCE AGREEMENT	ONGOING ONGOING 30/11/2016 ONGOING	100

2.14 Municipal manager's quality certificate

I, municipal manager of Khâi-MA Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of Khâi-MA MUNICIPALITY (NC067)

Signature _____

Date _____